



Construction Investment Corporation 3-2

ANNUAL STATEMENT 2018



MOST PRODUCTIVE - MOST QUALIFIED - MOST EFFECTIVE



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GENERAL INFORMATION



General information

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Transaction name in Vietnamese	CONSSTRUCTION INVESTMENT CORPORATION 3-2
Transaction name in English	CONSTRUCTION INVESTMENT CORPORATION 3-2
Short name	CIC3-2
Business registration certificate No.	3700146225 dated 24/12/2008 issued by Department of Planning and Investment of Binh Duong Province, amendment registration for 10th time on 08/08/2018
Charter capital	150.301.450.000 VND
Owner's equity	150.301.450.000 VND
Address	No. 45A, Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Tel	0274 3759446
Fax	0274 3755605
Website	www.cic32.com.vn
Email	cic32bd@gmail.com C32
Share No.	HOSE
Stock platform	



1993

The precursor of Construction Investment Corporation 3-2 is Song Be Housing Development and Trading Company (SB.PCorp) - a State-owned enterprise established under Decision No. 06/QĐ-UBND dated January 08, 1993 of People's Committee of Song Be Province, specialized in trading of houses, construction materials and construction of works ...

1994

In parallel with the implementation of housing projects, the Company expands to the sector of exploitation, production and trading of construction stones at Dong Hoa Stone Mine - Di An District, Binh Duong Province.

1997

Song Be Province was separated into two provinces of Binh Duong and Binh Phuoc in order to meet the development requirements in line with the new trend, the Company was re-named to Construction Investment Corporation 3-2.

2001

The Company expanded more sector of trading of real estate and housing such as Nguyen Van Tiet Residential Area, An Phu Residential Area, etc.

2007

The company applies for direct mining license and is the investor of Tan Dong Hiep construction stone quarry. At the same time, the Company established the Real Estate Trading Platform and Center for Building Materials 279 that expand to construction equipment leasing business.

2006

The Company developed more sector of reinforced concrete culvert production; increase mechanical installation of works; electricity and water installation; Cargo transportation service and established the Mechanical and Concrete Component Enterprise located in Hoa Lan 1 Hamlet, Thuan Giao Ward, Thuan An Town, Binh Duong.

2004

CIC 3-2 trademark has been known by many customers in the market in and out of the province, granted the certificate by the National Office of Intellectual Property of Vietnam under Decision No. A5461/QĐ-ĐK dated August 18, 2004.

2003

The Company conducted the construction and was certified the quality management system in accordance with ISO 9001: 2000, currently known as ISO 9001: 2015.

2008

On December 11, 2008, the Company held the General Meeting of Shareholders to establish Construction Investment Corporation 3-2 and officially went into operation to mark the new development of the Company.

2011

The company expanded concrete culvert workshop in Long Nguyen commune, Ben Cat district, Binh Duong province with total area of 4ha, capacity of 30,000 culverts/year while put into operation a interlocking concrete brick, block brick production line, etc. to bring new products into the market

2012

The Company established Construction Enterprise and renovated its operation organization from the construction unit to the construction management contractor. At the end of 2012, the Company officially listed its shares on the Ho Chi Minh City Stock Exchange (HOSE).

2018

The company implemented the Resolution of the General Meeting of Shareholders and successfully issued 10% of bonus shares to increase share capital from the owner's equity, raising the Company's charter capital to VND 150,301,450,000, equivalent to outstanding shares of 15,030,145 shares. The Company bought more 413,000 shares of Mien Dong Joint Stock Company, increasing its number of shares to 2,985,150 shares, accounting for 28.91% of the outstanding shares.



National Quality Silver Award 2009

In 2009, the Company was honorably awarded by the Prime Minister "National Quality Silver Award". The award aimed to honor enterprises that achieve effective quality in business and production, the role of leaders in corporate governance, operational strategies, policy orientation for customers and human resource development for the enterprise, etc...



WTO integration Golden products 2013 Interlocking concrete brick product.

In 2013, the Company won the title of Qualified Supplier 2013 voted by Vietnam Enterprise Institute. This was a program aimed at assessing enterprises meeting well and effectively the requirements of domestic and foreign deals, organized by the Vietnam Enterprise Institute.



Certificate and Cup of Top 100 elite products in WTO integration 2010

In 2010, the Company was listed in "Top 100 elite products in WTO integration" organized by the Vietnam Union of Science and Technology Associations. The award evaluated products/services with very high competitiveness, proving the maturity and outstanding development, contributing positively to the economic development of the country.



Mr. Vo Van Lanh - Chairman cum CEO of the Company (ranked third from left to right) received the award

In 2015, Mr. Vo Van Lanh, Chairman of the Board of Directors cum General Director of Construction Investment Corporation 3-2 (CIC3-2) won Top 10 most effective business leaders in 50 most outstanding leaders 2015.



Certificate and Cup "Competitive Brand 2011"

In 2011, the Company was listed in "Top 50 Competitive Brands of Vietnam" voted by Vietnam Intellectual Property Association. This was an award recognizing and honoring organizations - enterprises with outstanding achievements in building and developing trademarks under the criteria of evaluation and recognition of famous trademarks.



Golden brand 2015



Award "Vietnam Golden Star 2015"



Top 100 enterprises with sustainable development in 2016 and 2017 and 2018

In 2016, 2017 and 2018, the Company won the title of Top 100 enterprises with sustainable development voted by the Sustainable Business Development Council of Vietnam enterprises.



Merit certificate of the General Department of Taxation



Merit Certificate of the Chairman of the People's Committee on social contributions

In 2015, the Company won the "Golden Brand 2015" organized under the authorization of the Ministry of Industry and Trade by Vietnam Association for Anti-Counterfeiting and Trademark Protection. The award assessed the results of production and business activities of the Company, the development of brand and goods with long-term orientation and anti-counterfeiting measures and the quality management of the Company... For consecutive years of 2015, 2016 and 2017, the Company was awarded with Merit Certificate by the provincial Department of Taxation, the Chairman of the Provincial People's Committee and the General Department of Taxation. The Company was awarded the Merit Certificate by the Minister of Finance for having successfully observed tax policies and laws in 2016.

Merit Certificate from the Chairman of the People's Committee in 2017 due to many achievements in the movements of gratitude, taking care of policy families, war invalids and martyrs in Binh Duong province in the period of 2012 - 2017.

Merit Certificate awarded by Chairman of People's Committee of Binh Duong Province to the Company for contributions in sponsoring and caring for disadvantaged children in the period of 1997 - 2017.

In 2018, the Company was awarded the prize as follows:



Top 100 "Vietnamese Golden Star Awards 2018" certified by the Central Association of Vietnamese Young Entrepreneurs. The title of Top 100 "Vietnamese Brands" in international integration.



Top 5 Best Corporate Governance Enterprises - Group of Small Capitalization voted by the Investment Newspapers and Ho Chi Minh Stock Exchange in 2018.



Merit Certificate from Binh Duong People's Committee for achievement of fulfilling tax obligations in 2017.



Merit Certificate from Social Insurance for implementing well social insurance and health insurance policies in 2017.



Merit Certificate from the Department of Labor, War Invalids and Social Affairs in Ho Chi Minh City for many contributions to caring for the subjects at Chanh Phu Hoa Center for Social Sponsoring in 2017.



Vietnam Certification Center (Quacert) issued Decision No. 2395/ QD-QUACERT on granting the Certificate of Occupational Health and Safety Management System that meets the standard OHSAS 18001: 2007, etc...

EXPLOITATION AND TRADING OF CONSTRUCTION STONE

Processing and exploitation at quarry
 Exploitation scale on an area of 20 ha
 Construction stone products with advantages

- High bearing capacity
- Less water absorption
- High abrasion resistance
- Widely used in construction of roads and bridges, technical infrastructure,...

PRODUCTION AND TRADING OF PRECAST CONCRETE COMPONENTS

- Centrifugal concrete culvert
- H30 culvert
- H10 culvert
- VH culvert
- Reinforced concrete box culvert

CONSTRUCTION OF CIVIL, INDUSTRIAL AND INFRASTRUCTURE WORKS

- 20 years of experience
- High reputation in the market
- Self-supply of input materials
- High quality construction

OTHER FIELDS

- Production and trading of cement products: interlocking bricks, Terrazzo bricks
- Trading of construction materials, construction equipment rental
- Trading of real estate



- **Main markets:** Binh Duong, Ho Chi Minh city, Tay Ninh
- **Markets are under market share development:** Dong Nai, Binh Phuoc, Long An, etc..
- **Targeted customer**
 - + Companies of construction, execution of traffic, civil and industrial zone infrastructure works
 - + Investors, project management units of districts
 - + Agents, distributors and dealer of construction materials

Sector of construction stone



Stone 1x2

Stone 0x4

Stone 4x6

Rubble

Tan Dong Hiep quarry with high quality stone and convenient location for transportation and consumption. Despite of mining to the depth, the quality of stone is guaranteed, the Company still retains a high competitive position in the industry.

Main objectives of construction stone sector

In 2019, it's expected to reserve rubble source to ensure construction materials by 2020. Besides, expansion of material sources, at the same time participating in the auction of mining new stone quarry in Binh Phuoc to help stabilize the production in the sector of construction stone in the coming years.



Concrete culvert

Putting Thanh Phuoc Concrete Workshop into operation helps improve the capacity of concrete culvert production. Products are not diversified, so customers are limited, products are mainly consumed in infrastructure projects with public capital. The company's products have no position in the market because the models are not diversified, the prices are not competitive.

Main objective of concrete culvert sector

Make every effort to finish the second phase of Thach Phuoc Concrete Workshop for culvert production using core vibration technology to put into operation in Quarter I/2019 in order to increase the production output.

Construction sector



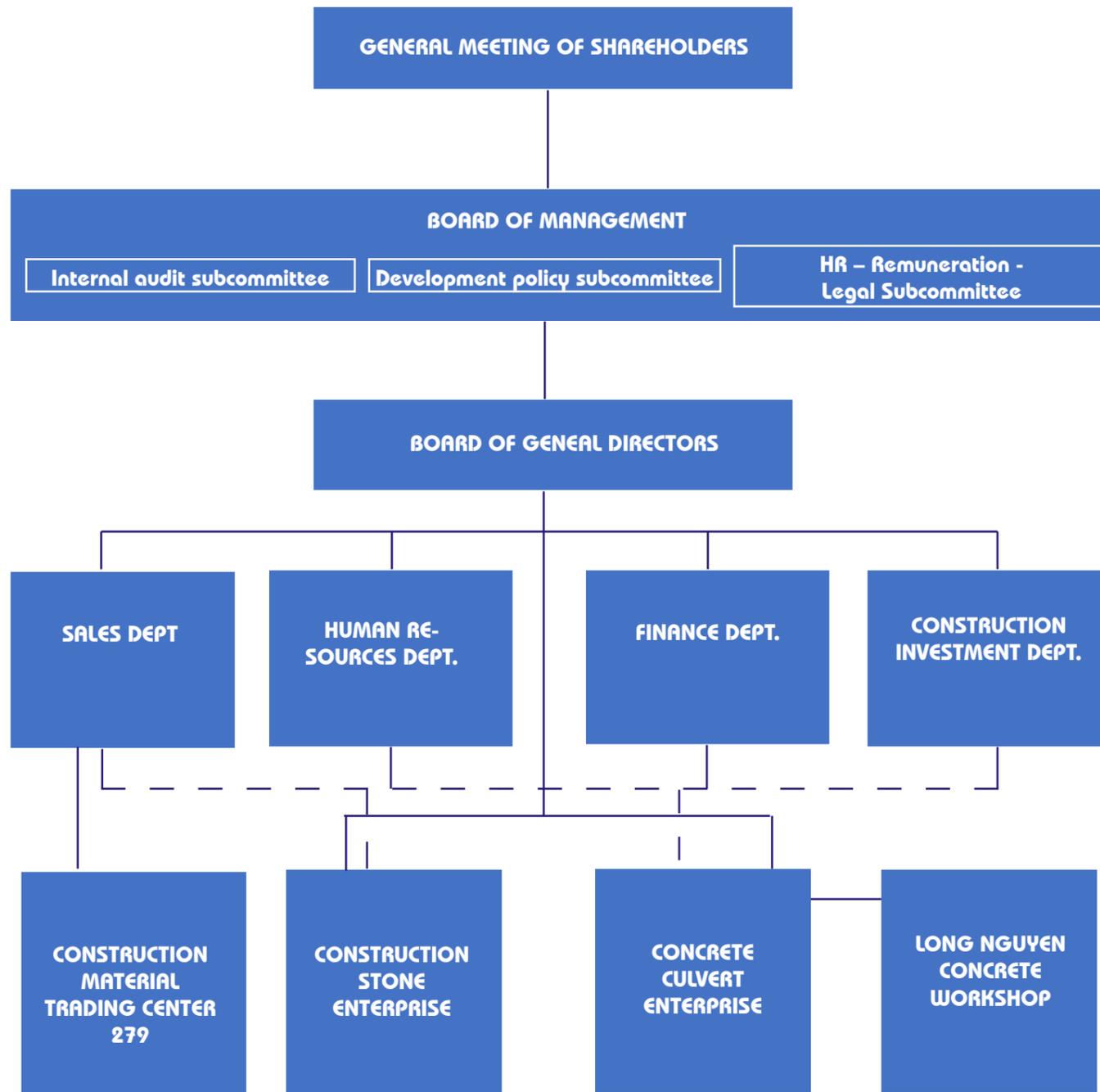
In the sector of construction, the Company is still weak in all three phases: marketing, bidding organization and construction organization. The Company is mainly specialized in infrastructure and socio-cultural works with public capital, so it depends heavily on disbursement of state budget. Besides, the unfair competition in bidding organization for works has affected the bid selection results of the Company for the past year.

Main target of construction sector

Improve, finalize the coordination of the company's departments to improve the quality of bidding documents, cost management, material supply, effective construction supervision and coordination.

Expand the search for public capital works, charity capital, implement bidding linkage, improve construction capacity in marketing, bidding and construction organization.

Management apparatus structure



Management model

The Company operates under a joint stock company model, so the management model of the Company is organized under the Enterprise Law and the Company's Charter, including the following departments:

- General Meeting of Shareholders
- Board of Management
- Development policy subcommittee
- Internal audit subcommittee
- HR – Remuneration - Legal subcommittee
- Board of Directors

In the operational apparatus, there are the subcommittees under the management of the Board of Management. There are 3 subcommittees, namely Development Policy Subcommittee, Internal Audit Subcommittee, HR, Remuneration and Legal Subcommittee.

The Chairman of the Board of Management is concurrently General Director of the company, so it is very convenient in the corporate governance, creating a close relationship between the Board of Management and the Board of General Directors.

During the year, the Company changed its management structure from the Supervisory Board model to the model of Internal Audit Sub-Committee under the Board of Management and dismissed the Supervisory Board; merged Construction Enterprise and Investment Department into Construction Investment Department. All new changes are intended to streamline the apparatus, improve operational efficiency and bring economic efficiency



Subsidiaries and associates

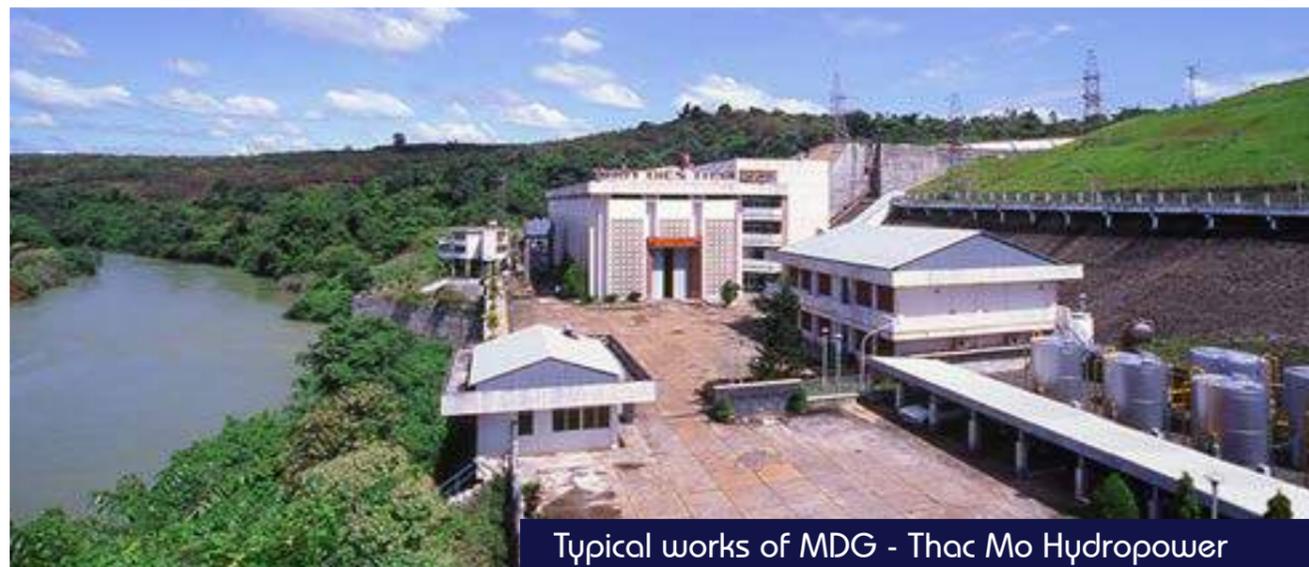
Subsidiaries: None

Associates:

1. Mien Dong Joint Stock Company



- Address: Street 1 - Bien Hoa 1 Industrial Zone, Bien Hoa - Dong Nai.
- Business lines: Construction, Real Estate, Mining, Trading of construction materials.
- Number of shares and holding rate: VND 3,485,150 VND - 33.76% of outstanding shares
- Website: www.miendong.com.vn



Typical works of MDG - Thac Mo Hydropower

2. Thu Duc Centrifugal Concrete Joint Stock Company - Long An



- Address: Hamlet 3, An Thanh Commune, Ben Luc District, Long An Province.
- Production and business lines: Manufacturing and trading of all kinds of concrete piles and beams
- Number of shares and holding rate: VND 3,667,268 - 24.33% of outstanding shares.
- Website: www.thuduclongan.com



Production workshop of Thu Duc Centrifugal Concrete JSC - Long An



Economic risks

Economic growth has a direct impact on product consumption. Therefore, maintaining the economic growth rate of Vietnam is a strong factor affecting real estate business, industrial and civil construction investment, thereby affecting business results of the Company during the year.

The domestic economic situation in 2018 recorded outstanding results: GDP growth in 2018 increased 7.98% - this was the highest increase for 10 years. Industrial and construction sector increased by 8.89%, contributing 48.7%. However, the economy has been still facing many challenges such as:

- High inflation pressure is still high due to the impact of many factors, especially fluctuations in exchange rates, interest rates, fluctuations in crude oil prices in the international market and the requirement of implementing the market price roadmap for electricity and services of education, health, etc...
- Progress of public investment capital disbursement, equitization of state-owned enterprises, divestment in many ministries and branches are slow. Labor productivity, competitiveness, localization rate of many sectors and sectors are still low.

In such a macro environment, the Company shall be proactive and flexible to adapt to. The Company always pays close attention to the economic situation in order to make adjustments on appropriate business strategies and plans.

Rủi ro ngành

Natural resource exploitation in general and stone mining in particular for recent years have faced many difficulties. According to the Ministry of Industry and Trade, the mining industry's growth rate has continued to decrease by 2.7% compared to 2017.

Regarding the construction industry: According to the data of General Statistics Office, construction industry for the first 9 months has maintained a good growth rate of 8.46%, contributing 0.55 percentage point to the increase in total added value of the whole economy. Construction industry is a sustainable growth industry every year and makes a great contribution to the country's GDP growth structure. Especially in 2018, the implementation of many key transport infrastructure and real estate projects made the industry activities become more active, contributing to boosting the sector's growth significantly.

The construction industry of the Company has advantages with public investment projects of Binh Duong province. But recently, the number of projects has been decreasing gradually, forcing the company to seek projects outside the province and private capital, so it is difficult to compete with other enterprises in the same industry.

Regarding construction materials industry: Demand for construction materials increased slightly in 2018 thanks to positive growth of the real estate market and construction industry. Prices of items and materials have many changes as follows:

- Construction sand price increases by 20% due to the impact of tight control of sand supply, specifically construction sand price has increased from VND 272,727 VND/ m³ to VND 322,727/ m³ (excluding VAT);
- Gasoline price also increased slightly to VND 14,318/ liter (excluding VAT) due to the policy of decreasing oil output of OPEC;
- The construction steel price in the market only increased slightly from 1% - 2% due to stable supply from China market, prices of fi6, fi8 were stable at VND 13,455/ kg (excluding VAT); Domestic Pomina steel price increased slightly from VND 13,560/ kg to VND 13,610/ kg (excluding VAT).
- Prices of materials such as fresh concrete decreased by 4.9%; Asphalt concrete increased by 15% compared to that of early 2018.
- Non-baked brick products are also widely used in large and high-rise buildings to replace traditional brick, however the prices of brick products in the year are generally maintained at a stable level; down 8.9% compared to early 2018.

The typical risk of C32 in construction material sector comes from the expiration of the Tan Dong Hiep stone quarry mining license at the end of 2019. Exploiting activities at Tan Dong Hiep mine in 2019 will be more difficult when going down cos -150m. The narrow transport route and processing site will reduce the performance of transportation equipment and affect production output as well as construction stone product costs.

In addition, the market development for concrete culvert products has been also increasingly difficult because the pressing vibration culvert products have been increasingly favored by customers thanks to cheaper prices from 10% -12%.

In identifying these risks, the Board of Management of the Company proactively set up business strategies to limit the above risks. Specifically, the Company associated with the enterprises of same industry in each different product line to take advantage of the strengths of these enterprises. With quarrying activities, the Company associated with the Mien Dong Joint Stock Company (MDG) - owns the right to mine Tan My stone quarry to ensure long-term stone source. Regarding concrete production and business, the Company associated with Thu Duc centrifugal concrete joint stock company - Long An.



Stone quarry in Tan My of MDG



Production workshop of Thu Duc Centrifugal Concrete Joint Stock Company - Long An

Interest rate risk

In 2018, mobilizing interest rate rates tended to increase most sharply starting from the third quarter and continued to extend the increase momentum to the remaining months of 2018. Forecast of the monetary market prospects in 2019, according to financial experts, interest rates continue to be under pressure to increase in 2019 due to many following reasons.

- Firstly, FED is much likely to increase interest rates in 2019, reaching the expected operating rate of 3.5%.
- Secondly, inflation in 2019 is likely to rise higher than 2018, creating pressure to raise deposit interest rates with the banking system.

Construction and real estate projects are mainly used from borrowing capital, so when the interest rate increases, the investment costs will increase, which is detrimental to the implementation of the project. Especially for public projects, foreign loan interest rates are no longer applied many preferences as before.

The company mainly uses short-term debt, so interest rate fluctuations also impact partially on the Company. Because it is a short-term debt and is paid in a production and business cycle, most borrowing capital interest expenses will be included in operating expenses during the period, which puts pressure on the business cash flow of the Company, requires the enterprise to have a wise business strategy to manage interest rate risks.

Legal risk

Any enterprise is subject to the laws of Vietnam, typically the Enterprise Law. Companies listed on the stock market as C32 alone are subject to the management of the Securities Law. Moreover, C32 operating in the construction stone industry is also subject to the Law on Mineral, Law on Environmental Protection and related regulations.

In order to limit legal risk, the Company always follows and constantly updates the situation of changes in regulations. Periodically provide training for employees in each department about relevant legal regulations.

Environmental risk

The mining industry is a sector that greatly affects the natural environment. The substances discharged outside affects the environment, noise affects the lives of surrounding people. Quarrying must use explosives, causing noise and affecting human and animal ecosystem in the surrounding areas.

To overcome the above impact but still ensure production and business activities. The company invests in machinery and equipment under the modern technology at Thanh Phuoc Enterprise with systems of treating dust, exhaust, noise, vibration under the environmental norms and standards.

Weather risk

Quarrying is greatly affected by the weather. When it rains, water accumulates in a deep hole, which makes it difficult to exploit, thus reducing productivity for enterprises in the industry. Similarly, the infrastructure construction of the Company will also be delayed because of rain. According to the The National Center for Hydro-meteorological Forecasting in 2019, the weather of the southern provinces will see out-of-season rains, so the company needs timely risk management measures for weather problems.

Other risks

The nature of the industry is to expose to many explosives and dust, affecting the health of workers. The mining industry is a very dangerous industry that requires workers to have health, endurance, skill and experience. Just a small negligence in the blasting process for beginning the mining, it may can lead to serious accidents and even disrupt the entire mining process.

In order to ensure continuous production and exploitation, the Company always sets the goal of "Safety is first", thereby every year the Company equips with proper labor protection equipment and establish labor safety procedures in production.



02

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES



Situation of production and business activities

Organization and personnel

Situation of investment, implementation of projects

Financial situation

Shareholder structure and change of owner's equity

Report related to environmental and social responsibility

World economy

The 2018 world economy experienced a lot of fluctuations with dark and light colors. The US-China trade war caused great damage to the economy in general and two most powerful countries in the world in particular. Looking ahead, the US and China will come to an agreement signed at the end of February 2019. Thereby, we will determine whether this war will be softened or continue to escalate. China's economy has experienced the lowest growth for recent years. GDP of the third quarter of 2018 of China only increased by 6.5% compared to the same period last year. This has been the slowest pace since the global financial crisis. China eased the monetary and devalued currency to support domestic enterprises as well as export activities. Growth momentum is expected to decline in 2019.

Vietnam economy

Contrary to the world situation, Vietnam economy has been increasingly growing. Vietnam's gross domestic product (GDP) in 2018 increased by 7.08%, the highest since 2010, of which industry and construction sector increased by 8.85%, contributing 48.6%. Industry in 2018 maintained a good growth rate of 8.79%, contributing 2.85 percentage points to total added value of the economy.

The demand for infrastructure development such as transportation, energy, utilities and civil works has highly increased because the urbanization rate is improved, the potential of population growth in big cities as Hanoi and Ho Chi Minh City will promote. At the same time, the flow of foreign direct investment (FDI) into the real estate industry increased sharply and the Government is trying to divest state-owned enterprises to supplement capital for essential infrastructure projects, showing the growth potential of construction and real estate industry.

Regarding construction material industry: Prices of materials are much volatile due to high construction demand, particularly construction sand prices increased by about 20% due to the impact of tight control of sand supply; petrol and oil prices also increased slightly to VND 14,318/liter (excluding VAT) due to the oil cut policy of OPEC; construction steel prices in the market only increased slightly from 1%-2% due to stable supply from the China market. Prices of materials such as fresh concrete decreased by 4.9%; Asphalt concrete increased by 15% compared to the beginning of 2018. Non-baked brick products are also widely used in large, high-rise buildings to replace traditional bricks, however the prices of brick products in the year was generally maintained at a stable level. Particularly, tunnel bricks decreased by 8.9% compared to early 2018.

Regarding construction industry: Construction industry is a sustainable growth sector with the rate of 8.46% and contributes 0.55 percentage point to the GDP growth structure of the whole country, especially this year, the implementation of many major projects of transportation infrastructure and real estate made the industry more active, which has contributed to significant industry growth.

Regarding mining industry: still remain negative growth (down 3.11%), reducing 0.23 percentage point of total added value of the whole economy. Construction industry in 2018 maintained a good growth rate with 9.16% rate, contributing 0.65 percentage point.

General business result of the entire Company

Target	Unit	TH2017	KH2018	TH2018	TH2018/KH2018
Charter capital	Billion VND	136,64	150,3	150,30	100,00%
Revenue from production and business activities	Billion VND	559,75	680	722,33	106,23%
Profit before tax	Billion VND	144,68	144	115,14	79,96%
Profit after tax	Billion VND	91,65	115	92,45	80,39%
After-tax profit rate/ Net revenue	%	16,37	16,91	12,80	75,69%
After-tax profit rate/ Charter capital	%	67,07	76,51	61,51	80,39%
Basic earnings per share	VND/Share	6.143	8.416	6.151	73,09%

Business performance in 2018 generally reached the plan as targeted. Revenue from business activities in 2018 reached more than VND 722.33 billion, gained 106.23% of the plan, increased 29% compared to 2017. The cause of the high increase in revenue was due to the fact that the Company focused on completing the works in Binh Duong and construction stone prices for the first months of 2018 increased because of a shortage of stone supply due to the suspension of Tan Dong Hiep quarry. The company took advantage of this opportunity to use up reserve stone source in 2017.

Profit after tax increased by 0.87% compared to 2017 but only reached 80.39% of the plan due to the fluctuation of revenue structure. The revenue increase in sector had low profit margin such as construction, culvert, stone processing services...Meanwhile fell sharply in the sector of construction stone finished products due to lack of output to meet market demand. In addition, the cost prices of goods sold in the period also increased because of mining to the depth, narrow mining area, sloping transport routes, causing machinery to work at full capacity, increasing depreciation costs.

Advantages

During the year, the rubble resources was sufficient to ensure that stone processing wasn't uninterrupted and the timely extension of stone quarry mining at the end of the third quarter of 2018 helped ensure revenue and output of construction stone. In the sector of concrete culvert, Thanh Phuoc Concrete Enterprise worked stably, helping increase the capacity of producing concrete culvert products, meeting the market demand for concrete component products, thus the volume of concrete culvert product orders were maintained at a positive level, which has helped increase productivity and boost revenue of this sector. At the same time, the operation of LAS Office helped the Company to control and improve product quality. In 2018, the Company also implemented a streamline of HR apparatus, merging Construction Enterprise and Investment Department into Construction Investment Department to improve operational efficiency and initially recorded positive results when the construction activities were profitable.

Difficulties

For the sector of construction stone, the mining was applied to the depth combined with the narrow site, sloping transport road, so it is difficult to increase the mining and processing output. In the sector of construction, the volume of bid-winning works in the period was low compared to the plan, so the volume of construction works is limited, most of the projects were slow in progress because the Department of Construction Investment was still in the stage of personnel structure stabilization, subcontractors have not yet mobilized employees to meet the construction work. In the sector of concrete culvert, production activities still faced difficulties because the orders focused on picking up goods when the construction weather was favorable, so the receipt of new order as well as the delivery schedule were affected. When it's much rainy, the finished products in consumption failed to keep up with, thereby causing the inventory. In addition, some devices also often failed, affecting business activities.

Production situation

The production activities of the Company were maintained stably, machinery and equipment for production activities at the Factories were well operated, in general, the quality of products was met.

Construction stone

The sector of construction stone faced difficulties due to deep mining, combined with narrow site, sloping transportation road, it is difficult to increase the mining and processing output. The market for the remaining 3 months of the year was saturated, customers tended to change from the brands to using the stone of Tan Cang and Thanh Phu; together with the reduction of transport infrastructure works in the region, the load of goods was getting tighter, leading to the decline in the market of stone products of the Company in the late 2018, not as exciting as the previous years.



Construction

The company has implemented a streamline of HR apparatus, merging Construction Enterprise and Investment Department into Construction Investment Department to improve operational efficiency. The volume of bid-winning works in the period was low compared to the plan, so the volume of construction works is limited, most of the projects were slow in progress because the Department of Construction Investment was still in the stage of personnel structure stabilization, subcontractors have not yet mobilized employees to meet the construction work.

The value of winning bid is estimated at VND 115,111 billion, accounting for 64% of the plan, down 36% compared to the same period of 2017 due to the fierce competition among contractors, the number of new capable contractors participating in works in the province were increasing high.



Types of materials used to produce the company's main products and services during the year:

- Construction steel
- Cement
- DO oil
- Red pebble
- Stone
- Sand
- Scrap recovered from broken tools and instruments

Concrete culvert

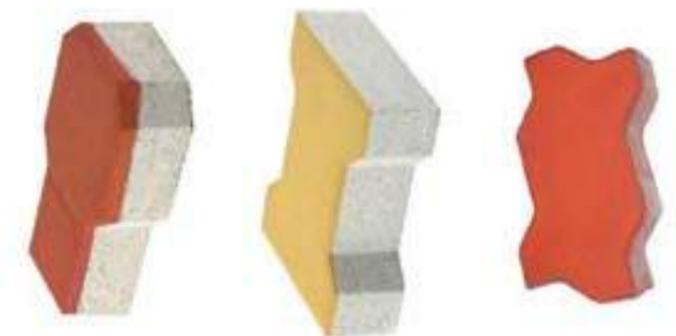
Thanh Phuoc Concrete Enterprise, phase 1, has been operating stably, thereby helping increase the capacity of producing concrete culvert products, meeting the market demand for concrete component products, thus the volume of orders for concrete culvert products was maintained at a positive level, which helped increase output and boost revenue in this sector.

The company has focused on managing the cost price of concrete culverts through improving production norms, improving production technology to increase labor productivity, assessing wage costs... in order to reduce costs and increase competitiveness in the market of products.



Other sectors - Production of interlocking concrete bricks

The production and business situation in 2018 faced many difficulties, due to the slow consumption situation, the marketing for orders was expanded but there was no positive result. The production capacity of the Company was still limited in production and design, so for large orders and fast supply schedule, the Company hasn't met the requirements. Besides, the products had a large weight, so high transportation costs made it difficult to negotiate a contract.



Prod STRENGTH ution situation

- The prestige and brand of the Company in the market create trust from customers, suppliers, state management agencies and credit institutions in the locality.
- Product consumption market covers the whole province of Binh Duong and increasingly penetrates deeper into the market of neighboring provinces such as Ho Chi Minh City, Tay Ninh and the markets of the Southeast provinces.
- Self-supply materials to help the Company reduce cost prices of products, construction cost prices and create competitive advantages in the market.
- The Company has been deploying the application of information technology such as using Fast online accounting software, Online office electronic portal, etc...for management and administration activities to increase the performance of the departments.
- Stone productivity at Tan Dong Hiep stone quarry meets the requirements for processing and trading of construction stone in 2019. At the same time, putting Thanh Phuoc Concrete Enterprise of phase 2 using core vibration technology into operation for helping significantly improve the capacity and production output of concrete component products.
- The Company has been effectively operating the quality management system according to ISO 9001: 2015 standard, the occupational health and safety management system according to OHSAS 18001: 2007 standard.

WEAKNESS

- Tan Dong Hiep quarry mining license expiring at the end of 2019 will significantly affect the business activities of the Company after 2020.
- The products of concrete culverts and bricks haven't been diversified, hence the customer segments are limited, the products are mainly consumed in infrastructure projects with public capital.
- For construction activities, the Company has still been weak in all three phases: marketing, bidding organization and construction organization. The capital mobilization for investment projects that invest in enterprises of the same industry has been creating greater pressure on capital and financial costs.
- The labor productivity of the Company compared with the market is still low, the quality of human resources is still limited, the sales staff is still "thin" compared to the development requirements of the Company.

OPPORTUNITIES

- According to Moody's forecast, Vietnam is much likely to maintain an average economic growth rate of about 6.4% in the period of 2018-2022,
- The development of Vietnam's construction industry is forecasted to grow 9% in 2019 and annual average of 8.2% in the period of 2017 - 2021.
- In the Southeast region, the growth rate of GRDP in the Southeast region in the period of 2016-2020 is forecasted at 9.5%, remain the most dynamic growth area nationwide, continue to be the key economic sector nationwide. The demand for infrastructure development is at a high level, the construction industry's growth rate is at 10-12%/ year.
- In Binh Duong province, in 2019, the province continues to focus on investing in the upgrading of transport infrastructure, urban embellishment, public water supply and drainage, education, health with total expected development investment capital of about VND 110,161 billion. Public investment capital of Binh Duong in 2019 is quite abundant, is expected to reach VND 8,211 billion, up 13% compared to 2018 and it's expected to be disbursed strongly at the period end of 2016-2020 of public investment plan. In particular, focus on meeting the progress of key projects such as Thu Bien - Dat Cuoc road, opening My Phuoc - Tan Van road to the public and extending to Bau Bang, Provincial Road 743 and Provincial Road 743B, upgrading and expanding intersections of National Highway 13, East-West Boulevard in Di An ...

CHALLENGES

- The world economy is highly volatile in 2019 and is expected to continue to last through 2019 due to the US-China trade war.
- Economic growth is still dependent on the FDI sector
- Investment projects in forms of BOT and BT have been further tightened in implementation such as public bidding organization, counterpart fund to implement the project will be restricted from lending from the Bank.
- In 2019, the prices of input materials tend to increase, prices of commodities such as electricity, iron and steel, coal increase as well as abnormal weather developments.

Members of Board of Management

No.	Members of BOM	Position	Start date/ date no longer a member of BOM	Notes
1	Vo Van Lanh	Chairman of BOD cum CEO	11/12/2008	
2	Tran Van Binh	Member of BOM cum Deputy CEO	21/04/2017	
3	Le Thi Quyet	Independent BOM member	21/04/2017	
4	Thuong Van Huyen	Non-executive BOM member	26/04/2018	Appointed from 26/04/2018
5	Nguyen Le Van	Independent BOM member	26/04/2018	Appointed from 26/04/2018



MR. VO VAN LANH

Members of Board of General Directors

No.	Members of BOGD	Position	Notes
1	Vo Van Lanh	Chairman of BOM cum General Director	
2	Tran Van Binh	Deputy General Manager	
3	Nguyen Xuan Hieu	Chief Accountant cum Finance Manager - Accountant	

Mr. VO VAN LANH - Chairman of BOM cum General Director

Year of birth	1963
Nationality	Vietnam
Ethnic group	Kinh
Profess. qualifications	Bachelor of Basic construction finance, Engineer of bridg and road construction
Current workplace	Construction Investment Corporation 3-2
Current position	Chairman of BOM cum General Director
Current position at another organization	Chairman of Mien Dong Joint Stock Company
Number of individual-owned shares	347,782 shares, making up 2.31% of the outstanding shares
Working process	
- From 1985 - 1992	Staff of Planning Committee of Song Be province;
- From 12/1992 – 9/1995	Chief Accountant of Song Be Housing Development Business Company
- From 9/1995 - 12/2008	Director of Song Be Housing Development Business Company (In February 1997, the company changed its name to Construction Investment Company 3-2, on December 24, 2008, the company is converted into a joint stock company)
- From 12/2008 - nay	Chairman cum General Director of Construction Investment Corporation 3-2





MR. TRAN VAN BINH

Mr. TRAN VAN BINH - Member of BOM cum Deputy General Director

Year of birth	1965
Nationality	Vietnamese
Ethnic group	Kinh
Profess. qualifications	Economic Bachelor
Current workplace	Construction Investment Corporation 3-2
Current position	Member of BOM cum Deputy General Director
Current position at another organization	None
Number of individual-owned shares	6.694 shares, accounting for 0.04% of outstanding shares
Working process	
- From 1987 - 1993	Accountant of Dong Nai Vegetable Oil Company
- From 1994 - 1998	Chief Accountant of Construction Material Production and Exploitation Enterprise under Construction Investment Corporation 3-2
- From 1999 - 06/2005	Director of Construction Material Production and Production Enterprise under Construction Investment Corporation 3-2
- From 07/2005 - 09/05/2014	Chief Accountant of Construction Investment Corporation 3-2.
- From 10/05/2014 - now	Deputy General Director of Construction Investment Corporation 3 - 2
- From 21/04/2017 - now	Member of BOM cum Deputy General Director.



Ms. LE THI QUYET

Ms. LE THI QUYET - Member of BOM cum Deputy General Director

Year of birth	1965
Nationality	Vietnamese
Ethnic group	Kinh
Profess. qualifications	Economic Bachelor – Major of Accounting Finance
Current workplace	Construction Investment Corporation 3-2
Current position	Independent BOM Member
Current position at another organization	None
Number of individual-owned shares	0 share, accounting for 0.00%
No. of representative-owned shares	-
Working process	
- Từ 1984 - 1994	Staff of Finance - Accounting Department of Hoa An Stone Mining and Construction Materials Company under FICO Corporation - JSC;
- Từ 1994 - 1997	Deputy Manager of Finance - Accounting of Hoa An Stone Mining and Construction Materials Company under FICO Corporation - JSC
- Từ 1997 - 2000	Chief Accountant of Finance - Accounting of Hoa An Stone Mining and Construction Materials Company under FICO Corporation - JSC
- Từ 4/2000 - 4/2017	Chief Accountant - Member of BOM of Hoa An Joint Stock Company;
- Từ 21/04/2017 - nay	Member of BOM of Construction Investment Corporation 3 - 2



Mr. NGUYEN LE VAN

Mr. NGUYEN LE VAN - Independent BOM member

Year of birth	1983
Nationality	Vietnamese
Ethnic group	Kinh
Profess. qualifications	Economic Bachelor
Current workplace	Beta Securities Incorporation
Current position	Independent BOM Member
Current position at another organization	Chairman of Vietnam NVN JSC Member of BOM of Da Nang Education Developmet & Investment JSC
Number of individual-owned shares	0 share, accouting for 0.00%
Working process	
- From 2005 - 2007	Auditor of DTL Auditing Company
- From 2007 – 2009	Investment analyst of Sao Viet Investment JSC
- From 2009 - 2010	Manager of Corporate Financial Analysis of EPower Securities Coporation
- From 2010 - 04/2018	Director of Corporate Financial Consultancy of Beta Securities Incorporation cum Independent BOM member;
- From 26/04/2018 - nay	Member of BOM of Construction Investment Corporation 3 - 2



MR. THUONG VAN HUYEN

Mr. THUONG VAN HUYEN - Non-executive BOM Member

Year of birth	1978
Nationality	Vietnamese
Ethnic group	Kinh
Professional qualifications	University of Commerce – Major of Accounting
Current workplace	Mien Dong JSC - Mien Dong Stone Production Enterprise
Current position	Non-executive BOM Member
Current position at another organization	Director of Branch of Mien Dong JSC - Mien Dong Stone Production Enterprise
No. of individual-owned shares	943 shares, accouting for 0.01%
Working process:	
- From 2000 – 2003	Accountant of Construction Stone Enterprise under Construction Investment Corporation 3-2
- From 2004 - 2006	Head of Sales and HR Staff of Construction Stone Enterprise under Construction Investment Corporation 3-2
- From 2007 - 2012	Deputy Manager of Sales and HR of Construction Stone Enterprise under Construction Investment Corporation 3-2
- From 2013 – 03/2017	Manager of Sales and HR of Construction Stone Enterprise under Construction Investment Corporation 3-2
- From 03/2017 – 02/2018	Group Leader of finance – Sales of Construction Stone Enterprise under Construction Investment Corporation 3-2
- From 03/2018 - 01/06/2018	Deputy Director of Mien Dong Stone Production Enterprise under Mien Dong Joint Stock Company
- From 01/06/2018 - now	Director of Mien Dong Stone Enterprise Member of BOM of Construction Investment Corporation 3-2



MR. NGUYEN XUAN HIEU

Mr. NGUYEN XUAN HIEU - Chief Accountant cum Manager of Finance and Accounting

Year of birth	1982
Nationality	Vietnamese
Ethnic group	Kinh
Professional qualifications	Economic Bachelor – Major of Finance & Accounting
Current workplace	Construction Investment Corporation 3-2
Current position	Chief Accountant
Current position at another organization	None
No. of individual-owned shares	3,372 shares, accounting for 0.02%
No. of representative-owned shares	-
Working process:	
- From 06/2004 - 2008	Staff of General Finance Department of Construction Investment Corporation 3-2.
- From 2009 - 09/05/2014	Deputy Manager of Finance of Construction Investment Corporation 3-2.
- From 10/05/2014 - now	Chief Accountant cum Manager of Finance of Construction Investment Corporation 3-2.

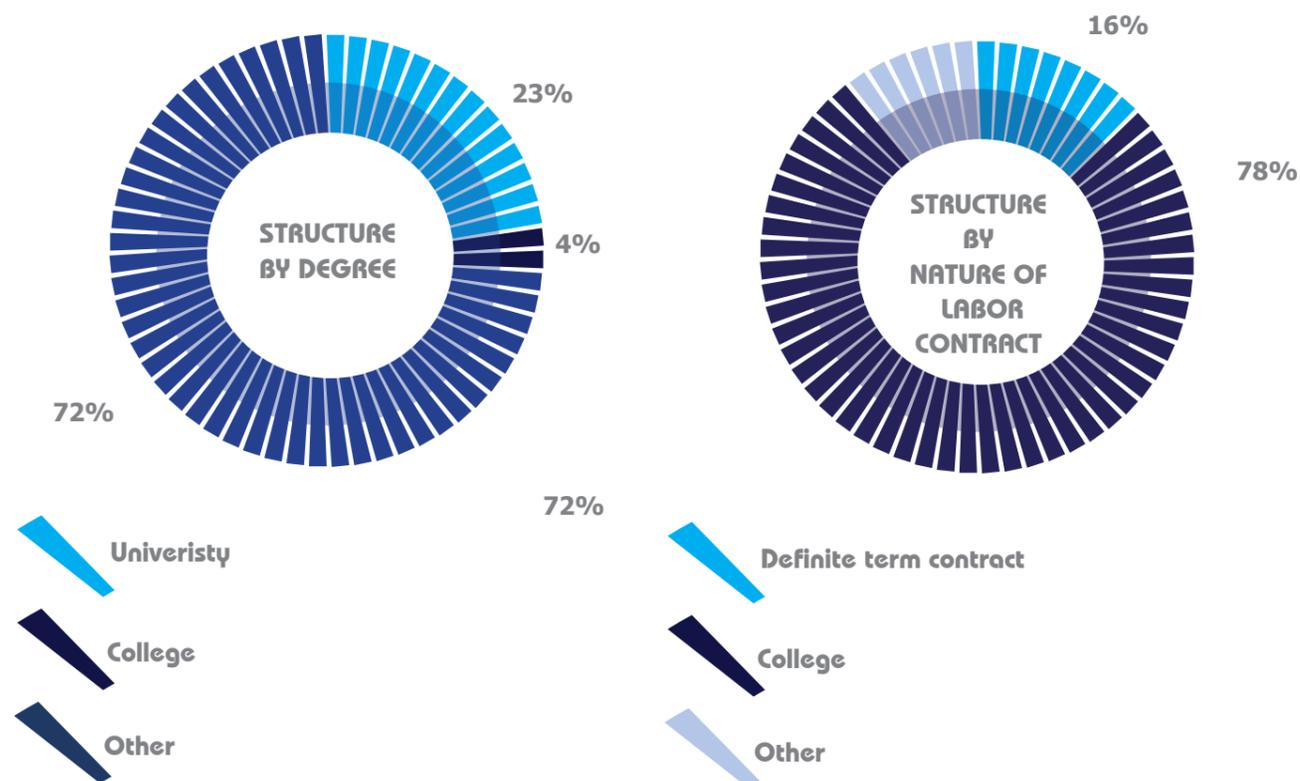


Annual General Meeting of Shareholder 2018

Labor structure

No.	Classification nature	Quantity	Percentage
A	By degree	338	100%
1	Post-graduate	1	0%
2	University	78	23%
3	College	14	4%
4	Other	245	72%
B	By nature of the labor contract	338	100%
1	Definite term contract	54	16%
2	Indefinite term contract	262	78%
3	Seasonal (workday) contract	22	7%

The labor structure by degree at the Company currently has a reasonable proportion between the professional division and the direct production division. The team of engineers, technicians, skilled workers basically meets the demand for quantity, professional qualifications, skills and the spirit of attachment to the Company. The average working age of the Company is 35 years old. Average income of workers in 2018: VND 12.3 million/ person/ month



Summary of policies and changes

In 2018, the number of employees decreased significantly by 120 people, mainly working in the production of steel cages, brick production, concreting and curing of bearing pad and electricity and water service. Recruitment in 2018 reached 21% of the plan (18 Labors/ 85 Labors). The number of recruiting employees is mainly to replace workers at production division who quited their jobs. The low rate compared to the plan was due to the policy of labor reduction and labor use conversion by contracting with business households.

Caring for life of company employees: visiting, timely supporting the sick cases, contributing in motivating the employees, expressing the concern of the Company's leadership to daily life of employees. In 2018, VND 361,200,000 was provided to 169 staff and family members of the staff.

Wages: The calculation and payment of wages at the units in the Company are carried out as regulated. Timely pay wages, additional wages and other regimes for employees on holidays and New Year holiday. During the year, Piecework-based wages are applied to Company Office Division for employees merged from the Construction Enterprise and applied the new wage payment regulation to the Project Steering Committee. Continue to maintain the piecework-based wages for indirect units, pay wages in conjunction with evaluating KPI-based results, create good motivation for employees to improve productivity, save costs and improve effectiveness

Complete the establishment of the basic wage scale under the regional minimum wage in 2018 and basic changes of the State, increasing allowances for social insurance and supportive amounts in accordance with legal regulations about salary, social insurance.



Recruitment of sales staff faces difficulties due to limitations in the source of candidates, candidates fail to meet the recruitment requirements. Training in 2018 achieved 116% of the plan (22/18 courses), calculated according to total number of training courses. Number of training courses increased due to arising based on actual needs.



Summary of policies and changes

Interpretation	Construction Stone Enterprise	Concrete Culvert Enterprise	Whole Company	
Year beginning	151	103	203	457
Increase	27	7	35	69
Decrease	63	14	111	188
Year end	115	96	127	338

Data of implementing recruitment plan in 2018

No.	Target	Unit	HK 2018	Fourth Quarter Plan	Performance in the period	Fund implementation cumulative	% compared to fund plan	Year implementation cumulative	% compared to annual plan
1	Recruitment plan	Person	85	-	-	-	-	69	81%
2	Training Plan	Course	18	-	-	-	-	22	122%
3	Recruitment cost	Million dong	10	-	-	-	-	0	0%
4	Training cost	Million dong	125,3	1	-	-	-	108,33	87%
5	Welfare (Officer-Employee)	Million dong	400	-	-	-	-	361,2	90%
6	Total number of employees	Person	478	-	338	-	-	-	71%

Evaluation of targets

Recruitment work in 2018: In general, the annual recruitment meets the production requirements of the units, recruitment of position of Sales Staff at Concrete Culvert Enterprise faces many difficulties due to characteristics of products, market and customers, thereby not really attracting candidates to work for.

Total number of employees in 2018 was 81% (338/478) compared to the plan due to stopping the operation of Thuan Giao Workshop, shifting some workers from Thuan Giao Workshop to Thanh Phuoc Workshop and reducing new recruitment. In addition, in 2018, the Leader has a policy of merging the Construction Enterprise and Investment Department into Construction Investment Department to reduce labor and change labor use by contracting with business households for stages of steel cage production, brick production, concreting and curing of bearing pad and electricity and water service at the Work, thereby reducing labor, reducing direct labor costs to improve production and business efficiency. . Therefore, in 2018 there was a significant decrease in the number of employees by 188 people.

Document management and proposal of signing labor contracts for due labors

During the year, the leadership and signing of labor contracts for employees of the Company were conducted as follows:

- Indefinite term contract : 24 cases
- 12-month definite contract: 75 case
- Seasonal contract : 16 people.
- Old people labor contract : 01 case

Training

Implement the training plan in 2018, register to organize 18 courses/class of improving professional skills, occupational safety, fire protection, first aid... there were 04 additional courses/ class in the year. The actual training organization was 22/18 training courses/class. During the year, the documents of certificates, occupational occupational classification and safety card has been handed over from staff of Construction Investment Department, manage and serve the bidding work.

Recruitment

Recruitment in 2018 reached 81% of the plan (69 labors/ 85 labors). The number of recruiting employees is mainly to replace workers at production division who quited their jobs. The low rate compared to the plan was due to the policy of labor reduction and labor use conversion by contracting with business households. Recruitment of sales staff faces difficulties due to limitations in the source of candidates, candidates fail to meet the recruitment requirements.

Organization work

Review, adjust and supplement the Regulations and Processes suitable to the new personnel structure when terminating the operation of Construction Enterprise, relocate the old headquarter of Concrete Culvert Enterprise.



Investment

36.618

million VND

Total investment value in 2018 was about VND 36,618 million, reaching 36% of the plan. In general, the investment in the year has been focused on in line with the set strategic programs.

Investment in basic construction was VND 13,339 million, reaching 45% of the plan. Box culvert factory at Thanh Phuoc Concrete Enterprise project has completed 70% of the estimate; the rest will be transferred to 2019. Investment in machinery and equipment was VND 20,993 million, reaching 48% of the plan. The invested equipment was mainly provided for production and business activities, partly providing construction equipment for Thanh Phuoc Concrete Enterprise.

Financial investment in the company of same industry was VND 5,286 million, reaching 14% of the plan. Specifically, for Mien Dong Joint Stock Company in the year, the Company bought more shares on the stock exchange, raising its ownership to 28.91% of the outstanding shares. For Thu Duc Long An Concrete Joint Stock Company, the Company has been carrying out procedures to increase the ownership of shares under the approved guidelines.

In the year, the company built and operated LAS meeting the conditions for specialized construction experiment, which was considered the first step to improve the quality of culvert products as well as deploying the project of extend the second stage of box culvert workshop with core vibrating technology. However, the implementation time was slower than expected, so in 2018, it failed to be put into operation, it is expected to be completed and put into operation by the end of the first quarter of 2019, thus boosting the output of small and medium-sized box culverts and pipe culverts of all kinds, helping reduce pressure with centrifugal rotary rigs of small sized culverts and then focusing on the production of large sized culverts with higher economic value.

Phase 2 of Thanh Phuoc concrete workshop project has been finalizing the Box culvert Workshop, system of gantry crane, crane bridge, mixing station system, core vibrating system, pipe culvert mold, core vibrating box culvert, It is expected that in the first quarter of 2019, it will be completed and put into operation, contributing in boosting the output of concrete culverts in 2019.



Summary of investment activities in the period of 2014 - 2018

In the period of 2014-2018, the Company focused on promoting investment activities, in which focusing on investment in the development of concrete components and capital investment in enterprises of the same industry to improve production capacity and performance of the Company's sectors as follows:

- 2014: Total investment value was VND 8,779 million, in which focusing on investing in tractors, cranes, scaffolds to serve and improve operations at the units.
- 2015: Total investment value was VND 16,316 million, in which investing VND 4,400 million in An Phu Kindergarten, the rest invested in vibrating rollers, dump trucks and culvert molds for units.
- 2016: Total investment value was VND 138,734 million, in which buying land area of 4.5 ha and constructing infrastructure of Thanh Phuoc concrete workshop project with 57,602 million VND; investing in machinery for production such as automatic welding machine, vibrating rollers, dump trucks and culvert molds with VND 21,284 million and investing capital in enterprises of the same industry including Thu Duc Centrifugal Concrete Joint Stock Company - Long An and Hoa An JSC with a value of VND 59,484 million.
- 2017: Total investment value was VND 195,570 million, in which focusing on investment in capital construction to complete Concrete Workshop, Thanh Phuoc Project Phase 1 with VND 72,022 million with 8 rotary rigs for producing centrifugal concrete culverts with an increase of 180 culverts / day in capacity; investing in artificial sand mill system with VND 1,990 million and continuing to invest capital in the enterprises of same industry with VND 107,985 million, increasing the ownership rate in Thu Duc Centrifugal Concrete Joint Stock Company - Long An at 24.16%, Mien Dong Joint Stock Company at 24.90% and Hoa An Joint Stock Company at 8.16%.
- 2018: Total investment value was VND 36,618 million, in which investing in phase 2 of box culvert workshop with core vibrating technology factory with the value of VND 19,460 million; buying land for construction site and warehouse with VND 7,098 million; investing in scaffolding system worthing VND 1,057 million and continuing to invest capital in Mien Dong JSC with VND 5,286 million, increasing the ownership rate to 28.91%.

Investment plan 2019

- Total investment value in 2019 is VND 193,014 million, including: Basic construction investment is VND 19,803 million; machinery and equipment investment is VND 62,261 million; financial investment is VND 33,750 million and project investment is VND 77,200 million.

Business performance targets

Targets	Unit	2017	2018	% up/down
Total assets	Million VND	747.661	782.679	4,68%
Net revenue	Million VND	559.746	722.333	28,96%
Profit from business activities	Million VND	108.434	114.070	0,37%
Other profits	Million VND	1.161,68	1.074	5,19%
Profit before tax	Million VND	114.675,5	115.144	0,41%
Profit after tax	Million VND	91.653,3	92.446	0,87%

Business performance targets

No.	Targets	Unit	2017	2018
1	Solvency			
	Current solvency	Time	1,47	1,63
	Fast payment capacity	Time	1,16	1,39
2	Capital structure			
	Liability/Total assets ratio	%	41,15	37,19
	Liability/Owner's equity assets ratio	%	69,93	59,21
3	Operation capacity			
	Inventory Turnover	Turn	5,97	7,79
	Total asset turnover	Turn	0,86	0,94
4	Profitability			
	Profit from business activities/ Net revenue	%	20,03	15,79
	Profit after tax/ Net revenue	%	16,37	12,80
	Profit after tax/ Total average assets	%	12,26	11,81
	Profit after tax/ Owner's equity	%	20,83	18,81

Solvency

The current solvency of the company increased slightly compared to the previous year and has been always greater than 1 since 2016, reflecting the company's reputation in implementing payment obligations.

The fast payment ratio increased compared to 2017 because in 2018, the supply of construction stone in the market decreased, construction stone inventory of the Company was consumed quickly.

Capital structure

Liability/ Total Assets ratio and Liability/ Owner's Equity ratio decreased compared to 2017 but still higher than in 2016. The pressure on investment loan decreased compared to 2017 because Thanh Phuoc concrete workshop was put into operation of Phase 1, however, Phase 2 of this project still continued to be implemented and the Company had to invest in some means of transport for production activities, so long-term liability increased slightly. The situation of short-term liability payment of the Company was still normal.

Business performance

The business performance of the enterprise had good changes. The inventory turnover increased, the decrease in number of inventory days was a good sign but consider the fact that Tan Dong Hiep quarry is due to stop mining, this is a fluctuation that needs to be monitored in the medium term.

Total asset turnover of the Company increased in the context that Thanh Phuoc Concrete Workshop, Phase 1 was in operation and Inventory decreased, showing an increase in asset use efficiency.

Profitability

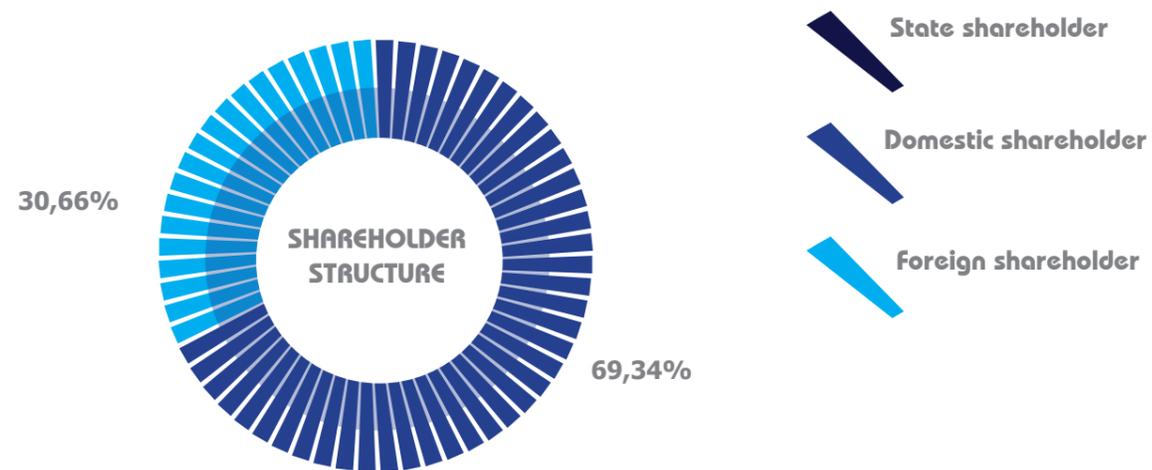
Group of profitability targets gradually decreased from 2016 to 2018 due to changes in the company's consumption structure. In 2018, revenue mainly came from industries with low profit margins such as construction, concrete culverts, etc. while revenue of construction stone industry with high profit margin reduced because of the interruption of mining Tan Dong Hiep stone quarry when applying for renewal of mining license. In addition, despite obtaining a mining license until the end of 2019, because of deep mining and narrow mining area, sloping transportation road, machines and workers were required to operate at more capacity, thereby pushing cost prices up quite a lot.

Share information as of December 31, 2018

Total issued shares: 15,030,145 shares
 Treasury share: 0 share
 Total outstanding shares: 15,030,145 shares
 Type of shares: Common shares
 Face value: VND 10,000/ share

Shareholder structure as of March 19, 2019

No.	Object	No. of shareholders	Number of shares held	Holding rate (%)
1	State shareholder	-	-	-
2	Domestic shareholder			
	- Organization	27	2.647.123	17,61%
	- Individual	1.632	7.775.145	51,73%
3	Foreign shareholder			
	- Organization	17	3.288.956	21,88%
	- Individual	27	1.318.921	8,78%
4	Treasury share	-	-	-
Total		1.703	15.030.145	100%



List of major shareholders

No.	Name of shareholders	No. of shares held	Holding rate (%)
1	American LLC	1.245.177	8,28%
2	Pyn Elite Fund	1.101.848	7,33%
3	Peter Eric Dennis	1.222.064	8,13%

Change in owner's equity

Additional stock registration at VSD and additional listing on HOSE.
 Change in charter capital and adjustment of business registration certificate:
 Before changing: VND 136,639,920,000
 Change: VND 13,661,530,000
 After changing: VND 150,301,450,000
 Reasons for change: Issuance of shares to increase share capital from owner's equity: 1,366,153 shares. Time of capital change: July 10, 2018.

Transaction of treasury shares

No transaction of treasury shares

Other securities

Buy more 413,000 shares of Mien Dong Joint Stock Company, increasing the number of shares held to 2,985,150 shares, accounting for 28.91% of the outstanding shares of Mien Dong Joint Stock Company.

03

STATEMENT AND EVALUATION OF BOARD OF DIRECTORS



Performance evaluation of production and business activities

Financial situation

General evaluation of management work

Future development plan

Major solution groups

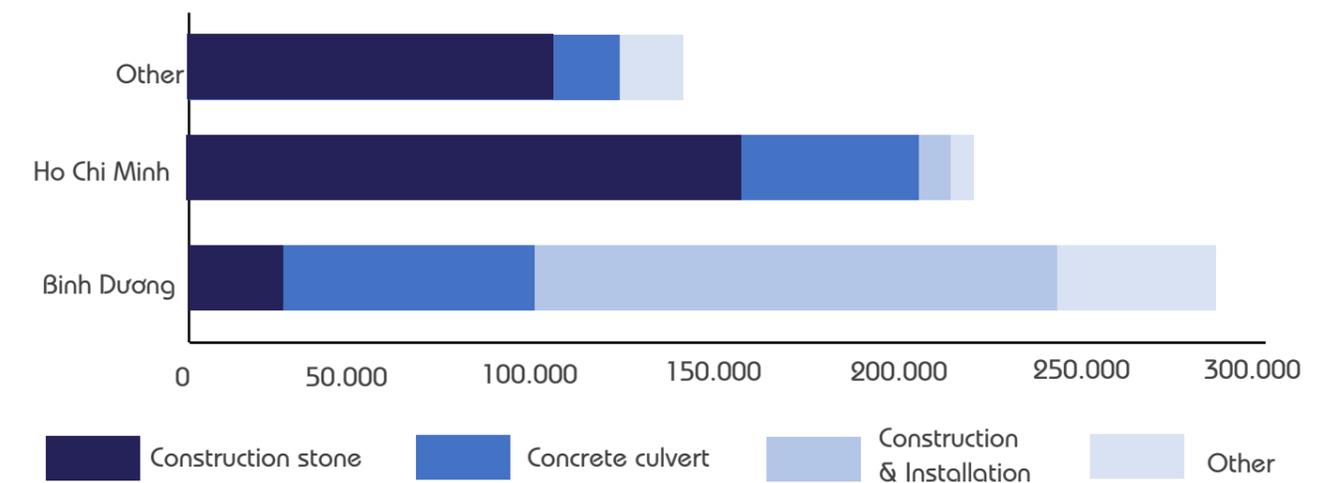
Statement related to environmental and social responsibility

Performance evaluation of production and business activities

The target of revenue from production and business activities in 2018 was VND 722,333 million, reaching 106% of the year plan, up 29% compared to the same period in 2017. In which revenue in the sectors of concrete culvert, construction and fuel business showed the growth. The revenue from construction stone sector alone decreased slightly due to the completion of procedures for extending the mining license lasted to the end of September 2018, on the other hand, in the fourth quarter of 2018, the stone consumption in Western market and transportation infrastructure projects declined, some customers tended to switch to using stone in Dong Nai area, leading to a sharp decline in revenue at the end of the year.

In addition, in 2018, due to the process of adjusting planning of Nguyễn Văn Tiet residential area, slower than expected, the Company fails to sell residential foundation land products.

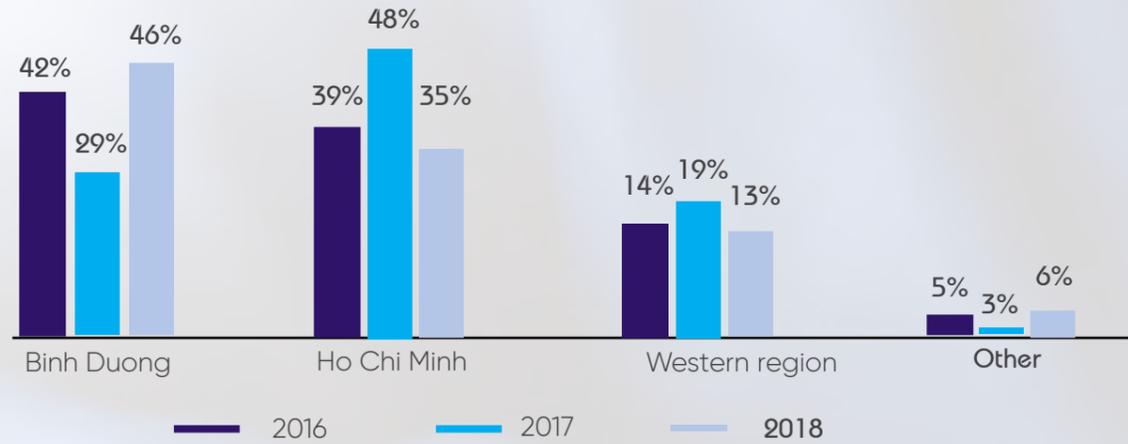
Revenue structure by product



In terms of revenue structure by product group, Construction stone filed has still been the core business when revenue accounted for 46% of total revenue, followed by Construction and installation with 24%, concrete culvert accounted for 19% of total revenue. Other sectors accounted for 11%. The market situation of the Company in 2018 still focused on two main markets of Binh Duong and Ho Chi Minh City, however the trend of revenue increased in Binh Duong and Tay Ninh markets and slightly decreased in the Ho Chi Minh city market.

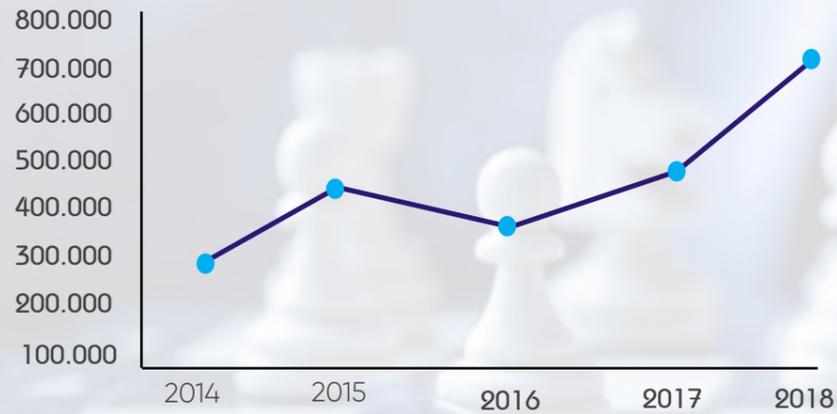
Specifically, for the past 3 years, the proportion of revenue in Binh Duong market has been 42%, 29%, 46%, respectively and the proportion of revenue in Ho Chi Minh city has been 39%, 48%, 35%, respectively. For the Western market, the proportion of revenue in 2018 accounted for 13%, in which revenue mainly came from construction stone products. Tay Ninh new market alone accounted for 3%, mainly from concrete and construction steel products

Revenue structure by region



From the chart, it could be seen that the market of the Company in 2018 was mainly in Binh Duong, Ho Chi Minh City. For the Western region market, the proportion of revenue in 2018 accounted for 13%, in which revenue mainly came from construction stone products.

RATE OF REVENUE GROWTH

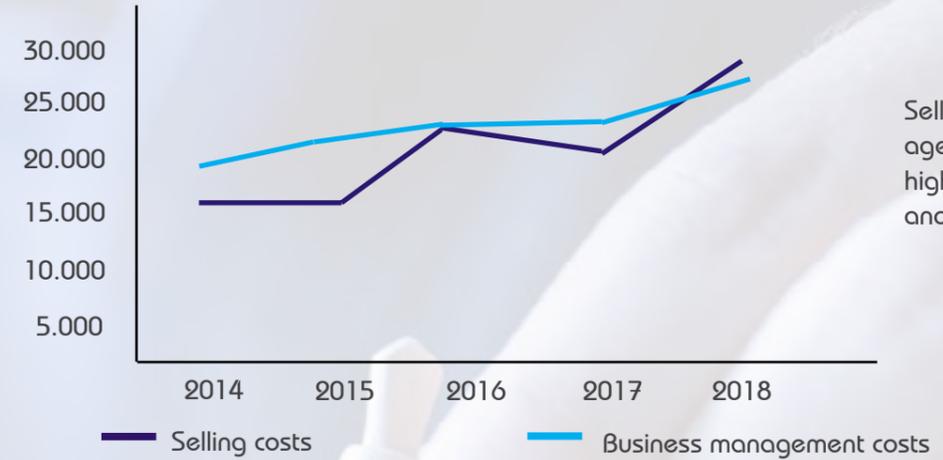


Revenue was quite volatile in the period of 2014 - 2016, however, since 2016, revenues had increased due to the recovery of real estate and civil infrastructure construction industry. In addition, projects in 2017 were transferred to 2018, so the increase in revenue was recorded in 2018 compared to the previous year.

Cost structure

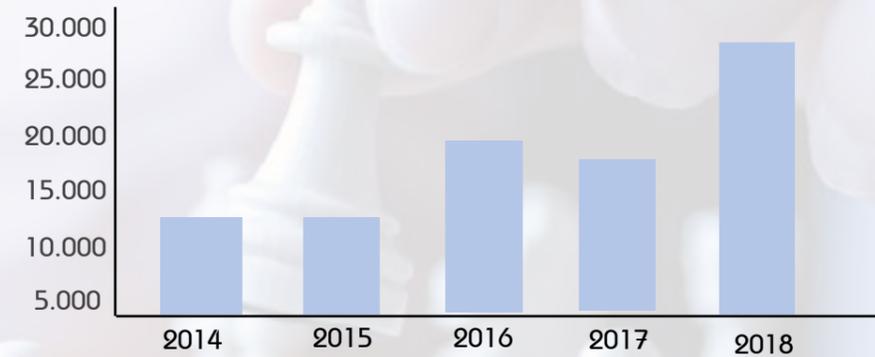
The company is a manufacturing enterprise so the cost prices of goods sold accounts for the majority of the cost structure of the Company. The increase in cost prices in 2018 mainly came from construction material filed, particularly from transportation costs and machinery depreciation costs when mining rocks deep into the area of Tan Dong Hiep quarry, leading to the increase in the input prices of construction materials.

SELLING COSTS - BUSINESS MANAGEMENT



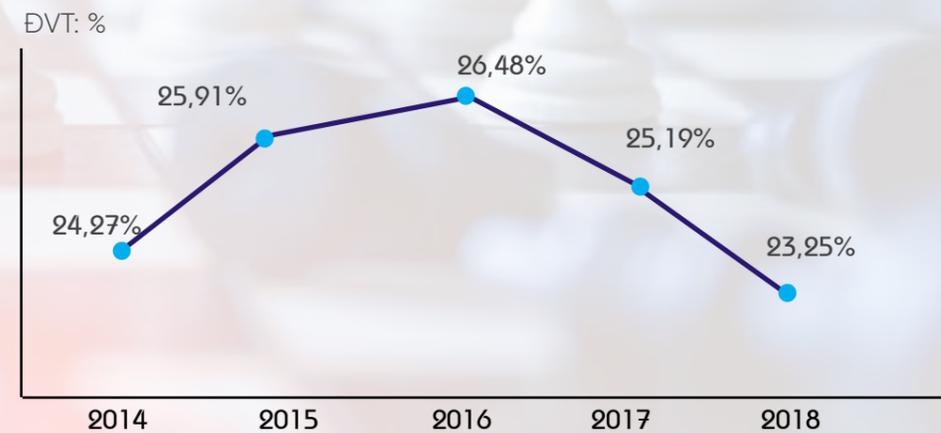
Selling costs and business management costs were also quite high in the structure of production and business costs.

SELLING COSTS



Selling costs in 2018 increased by 55% compared to 2017, showing that the company boost promotion and marketing to enhance the image of the business. In 2018, the Company promoted marketing of products of construction and installation, concrete culverts and other construction materials to investors, project management boards and industrial zones in Binh Duong, HCMC, Long An, Tay Ninh. Especially, the bidding contracts were paid attention by the Company to execute in a more qualified and correct manner.

GROSS PROFIT MARGIN



The period of 2014 - 2015 was the golden age of the mining industry, so the construction stone mining had many advantages. Construction stone was a sector that brought a high profit margin so in that period, profit margin increased significantly. From 2016 to 2018, the growth rate of the mining industry plummeted, even negative growth in some periods, thereby the Company had to push into other construction material sectors. However, in 2018, the company must stop mining Tan Dong Hiep stone quarry to apply for an extension, so the company's profit margin decreased.

Business performance of each field of the company

Construction stone

This has been the sector with high proportion of revenue and profit for recent years, in the period, Tan Dong Hiep quarry was extended for mining until the end of 2019, which created a high growth motivation in the period of 2014-2018. Although mining and processing activities still faced many difficulties and problems due to deep mining, narrow site, mining and processing output in the period of 2014 - 2018 decreased by about 3% on average. However, because selling price tended to increase by 10-15%, construction stone revenue was still met. The consumer market has been increasingly expanding to provinces such as Ho Chi Minh City, Long An and some Western region provinces, so revenue and profit grew steadily with an average annual increase of 5% and 13%.



Concrete culvert

The competition in concrete culvert sector was quite fierce, in the sector of construction of industrial zones and urban areas, customers preferred pressing vibration culvert products because their prices were usually 10% - 15% lower than centrifugal culverts. In addition, customers often signed contracts with suppliers who had products that were not only diversified but also pressing vibration culverts and centrifugal culverts to simplify the purchase process. Therefore, product diversification was necessary. The centrifugal culvert products of the Company currently mainly served for infrastructure projects with state capital, however the disbursement of budget in 2018 was relatively slow, which partly affected the revenue of concrete culvert product of the Company in 2018.



Construction equipment lease

In the sector of construction equipment lease, the market currently tends to switch to using wedge scaffolding system, disk scaffolding system, hot-dip galvanized scaffolds and falseworks with higher quality than traditional equipment. While retail customers often invested in scaffolds to use, so the potential for new rental customers was relatively difficult. The Company invested Ringlock disk scaffolding system at the end of third quarter of 2018 for lease. However, no positive result was recorded, the number of rental equipment in the year was generally low.

The business performance in the year was low compared to the plan due to the number of new contracts was low, the projects with large rental volumes had completed the construction, so the amount of equipment returned much by customers accounted for a high proportion.

Construction material trading

In 2018, iron and steel business activities continued to compete fiercely with competitors who were major distributors. The main factors influencing buying decisions of customers were selling prices and debt time, while due to the slow debt recovery from old customers, high debt level, the Company limited the new purchase orders to focus on the recovery of debts, which partly affected sales in this sector. During the year, the Company strengthened its search for customers in Binh Duong, Tay Ninh and Ho Chi Minh city. However, the number of new customers was still limited in Ho Chi Minh City, mainly selling to major customers such as Thu Duc 1 and Hai Dang Centrifugal Concrete Company. In Tay Ninh, the company signed a steel supply contract with a major partner in this area, so in the future this is a potential market for construction materials. The volume of transitive works from 2017 to 2018 was relatively large and handed over in the year, thereby the construction and installation have completed the set targets.



Fuel trading

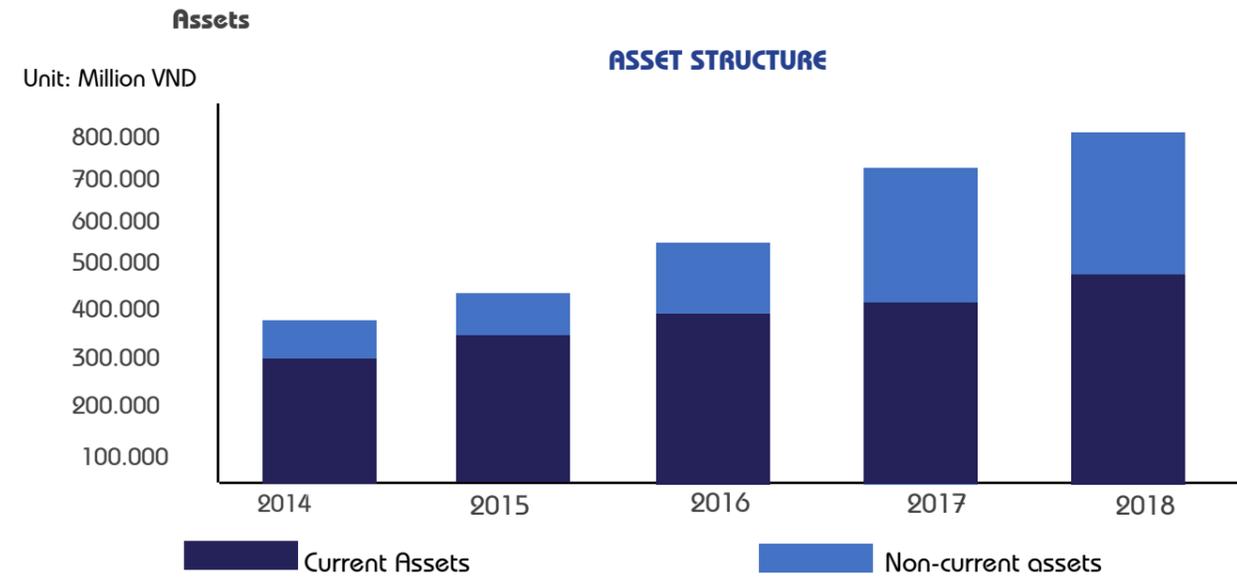
Fuel business activity still focused on customers who were subcontractors to the Stone Enterprise. As a result, oil consumption output remained stable at 1,003,976 liters, however, with the increase in oil price in the year, the revenue exceeded the set plan, specifically the output value in 2018 was estimated to reach VND 15,042 million, reaching 107% of the plan.

The increase in revenue and expansion of sales also made selling costs increase by 2.6 billion dong compared to the same period in 2017. The above factors made profit before the fourth quarter of 2018 decreased by VND 9.2 billion and profit tax profit decreased VND 6.7 billion compared to the same period last year.

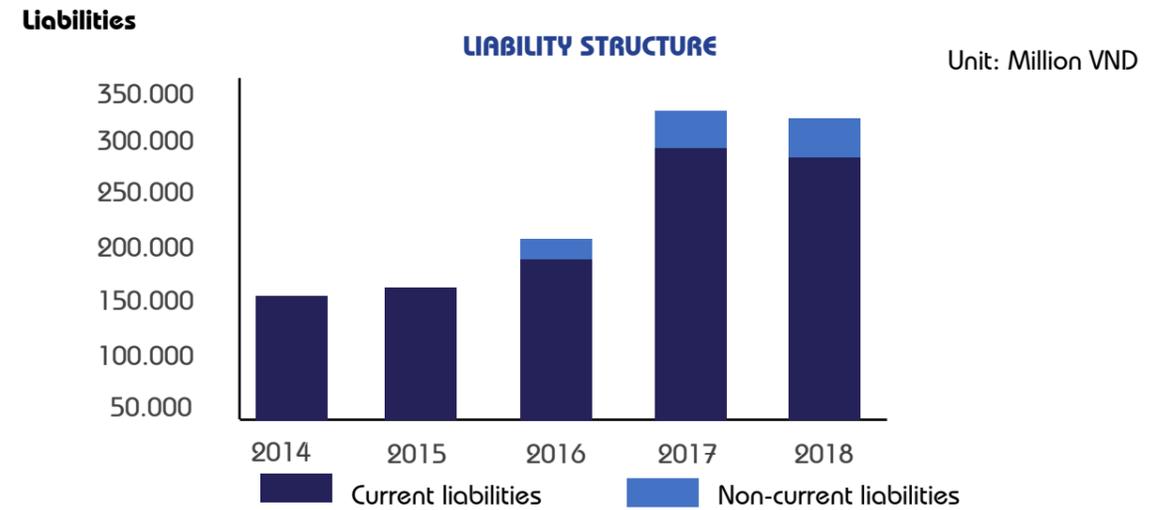
Real estate

In 2018, procedures for adjusting planning of Nguyen Van Tiet residential area were slower than expected, so the company failed to sell residential area foundation land products, real estate revenue was mainly from existing construction site lease, reaching at a low level compared to the plan.

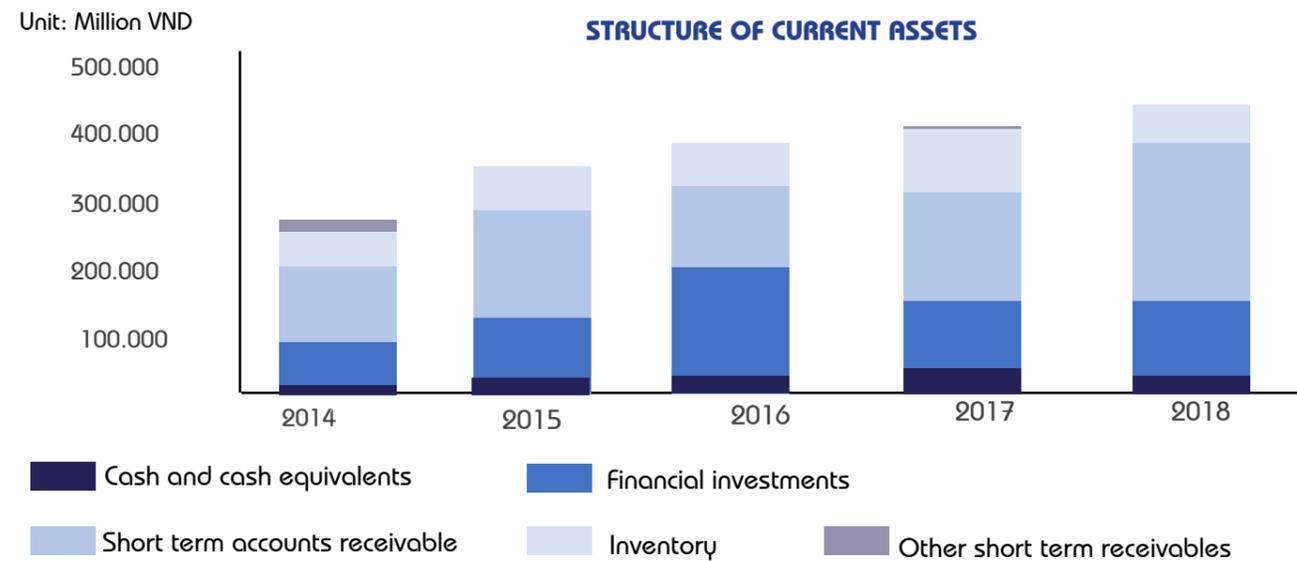




The company's assets account for the majority of current assets. Since 2016, the Company has focused on restructuring, building factories and production facilities to improve its production and business capacity. The project has been completed and put into use, contributing to the revenue of Thanh Phuoc Concrete Workshop, phase 1. The company has been currently implementing phase 2 of this Workshop, so basic construction in progress has sharply increased nearly 2 times higher than that in 2017. It is expected that Thanh Phuoc Concrete Workshop project, from phase 2 to the first quarter of 2019 will be completed and put into use.

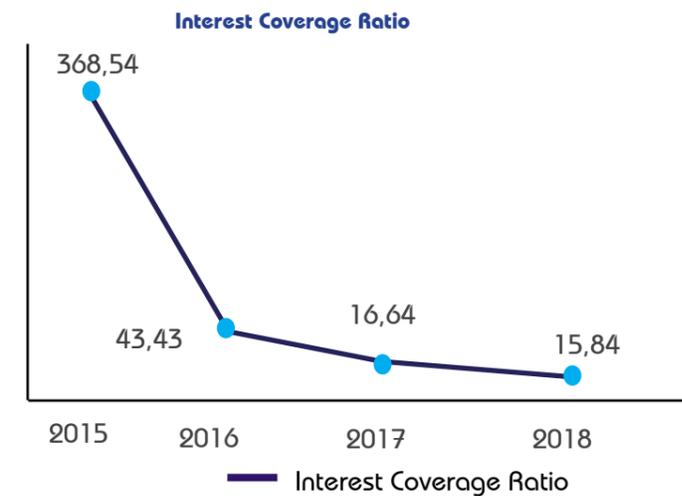


The increase in the current liabilities in 2017, 2018 was mainly to cover the working capital costs of the Company after putting Thanh Phuoc concrete plant into operation in early January.



The structure of current assets accounts for the majority of short-term receivables. Short-term receivables in 2018 were quite large compared to 2017, increasing by over 38%. The reason comes from the item "Receivable under investment authorization contract", increasing to more than VND 45 billion.

Inventories decreased because of the amount of reserved construction stone semi-finished products in 2017 to provide for a shortage of output during the time of applying for a license to renew Tan Dong Hiep mining in 2018.



The company mainly uses current liabilities to serve its business activities. Since 2016, the company has used non-current liabilities for construction investment purposes. The increase in short-term loans was to spend the equity for projects that has increased interest expenses. However, the interest coverage ratio remained high at 15.84 and the company still received dividend payments from its long-term financial investments and the current solvency and fast payment ratios were larger than 1, so the company's solvency in the coming time is still safe.

The liabilities receivable were improved compared to the previous years when the capital was arranged to pay for the volume of works. In addition to the targets of met business results, in 2018, the Company also increased the average income of employees from VND 11,330,000/ person/ month in 2017 to VND 12,300,000/ person/ month. Liabilities are balanced in a good way, there was no more bad debts generated; advances were made for right people and purpose. Inventories were proper between capital and assets. The situation of using capital and managing liabilities in the first quarter of 2018 was relatively good.



- In 2018, the Company changed its charter, the management model without the Supervisory Board met the requirements of more actual management, the new model was suitable with the advanced management model that society was encouraging joint stock companies in the future. New model streamlined the corporate governance system and helped reduce costs for the Company.
- Appoint senior officer due to changes in shareholder structure.
- Review and adjust the functions, tasks and powers of the Departments and Enterprises, merge the Construction Enterprise and the Investment Department into the Construction Investment Department, convert labor use by contracting with business households for production stages to streamline the apparatus and improve operational efficiency.
- Maintain quality management system according to standard ISO 9001: 2015 and OHSAS 18001: 2007 Occupational Health and Safety System.
- Regarding the management of cost price, the Company focused on reducing product cost prices through improving production norms, enhancing production technology to increase labor productivity, re-evaluating wage payment costs, etc... to reduce cost prices and increase the price competitiveness of products. In 2018, the Company also divided bonus shares to increase the Company's charter capital, thereby raising the Company's charter capital to VND 150,301,450,000, the outstanding shares are 15,030,145 shares.

The business environment in 2019 is forecasted to still have many challenges, the actual situation of enterprises still faces many difficulties. Therefore, business and production plan 2019 faces risks as follows:

- **Market risk:** The plan for revenue growth in 2019 is generally high compared to 2018. The plan for 2019 is built in the context of many changes in the world economy and the growth is forecasted to fall down due to the impact of the trade war between the world's two largest economies, the US and China, and the emerging economies that are vulnerable to the Federal Reserve FED's rate increase policy. To achieve the set revenue plan in the context of fierce competition of the market, the Company needs to improve production capacity to reduce product cost prices and establish competitive and flexible price policies. At the same time, continue to promote marketing programs, customer care, improve marketing and bidding capacity to enhance the search for new purchase orders.
- **Risk of market price fluctuation:** Cost of goods sold in 2019 is built on the basis of the prices of input materials, increasing from 3%-7% compared to 2018. However, in 2019, the prices of some basic commodities such as electricity and petroleum will be gradually applied according to the market mechanism and the development of world crude oil and steel prices affecting the prices of domestic goods is an unpredictable factor. Therefore, in order to ensure cost effectiveness, it is necessary to proactively build production plans, material and warehousing plans in a reasonable manner. At the same time, strengthen the search for new sources of supply to stabilize input in terms of types, quantities and prices, minimizing risks that may occur from price increase pressure of suppliers.
- **Risk of bad debts:** Although the economic situation has made many positive changes, enterprises are still facing many difficulties due to the capital balance to pay for the projects in 2019 is paid attention to but the capital is still limited. Therefore, in the purchase and sale transactions, it is necessary to strengthen measures to verify the financial and reputable situation of the customers as well as to prioritize the purchase orders with payment guarantee of the Bank to limit bad debts; strengthen monitoring and sticking with debt recovery. In the sector of construction and installation, the Company will focus on bidding and executing the capital-allocated projects.
- **Risk of work safety risk:** The risk of labor unsafety in production occurs when the awareness of compliance with regulations on occupational safety of the employees is not high. Therefore, the Company needs to enhance the dissemination and training for employees to raise awareness of occupational safety and health, and the operations required to perform before and after production, fully equipped with labor protection facilities. Stone mining activities are getting deeper and deeper, the risk of insecurity is high, thus enhancing the evaluation of possible risks and proposing control measures, strict security measures in mining.
- **Risk of data loss:** The Company has currently switched to using Online Office e-office software, FAST Online accounting software operated on the internet. Therefore there will be risks of data loss due to virus infection or failure in operating the network information system. The company needs to regularly maintain the internet system, Server machines, install and update anti-virus software, perform security checks and backup backup data.

From the above risk evaluations, the Company sets out the business plan 2019 as follows:

- Revenue from sales and provision of service is VND 875,000 million, up 21% compared to the estimated performance in 2018.
- Profit from production and business activities is VND 135,000 million, up 17% compared to 2018.
- Profit after tax is VND 108,000 million, up 17% compared to 2018.
- Basic earning per share is VND 7,186 / share, up 17% compared to 2018.
- Dividend payment ratio is 24% of charter capital, equivalent to VND 2,400/ share.

Set financial targets for the period of 2019-2023 based on market prospect and available resources of the Company as follows:

Unit: million VND

Target	Plan 2019	Plan 2020	Plan 2021	Plan 2022	Plan 2023
Revenue	875.000	850.000	735.000	795.000	950.000
Profit before tax	135.000	162.000	83.000	69.000	77.000
Profit after tax	108.000	130.000	66.000	55.000	62.000
Total investment capital	199.000	96.000	100.000	98.000	10.000
Charter capital	150.301	150.301	150.301	150.301	150.301
Basic earning/share (VND)	7.186	8.650	4.390	3.660	4.130
Annual dividend payment	24%	20%	15%	15%	15%

In general, the financial targets for the period of 2019-2023 are lower than those of 2014-2018 period. Specifically, the growth rate of revenue, return on equity (ROE), the average rate of return on revenue (ROS) in the following period increased by 7%, 13% and 10%, respectively, 12%, 25% and 16% lower than the previous period. During this period, the company will restructure the revenue proportion of the sectors because the revenue from construction stone sector will decline from 2021 and will start the growth cycle again by 2023.

- Regarding revenue: In the period of 2019-2023, the revenue from construction stone sector declined sharply because Tan Dong Hiep quarry will be closed at the end of 2019 and will be renovated to use up stone until 2021 while the new mine source hasn't been replaced timely due to the fact that it takes 3-4 years to invest in a new mine. Although other sectors are expected to grow as high as 10% per year, concrete components 16% per year, construction materials 18% per year, real estate 60% per year and other sectors 10% per year, the decline in revenue from construction stone sector fails to be recovered immediately. Regarding the revenue structure of the Company by 2023, it is expected to contribute 16% of construction stone, 26% of concrete structure, 27% of construction and installation, 16% of construction material trading and real estate of 11%, other sectors of 4%.

Labor issue

Wage, social insurance, policy regime:

- Continue to maintain the piecework-based wage payment for the indirect staff of units, wage payment associated with the KPI-based performance evaluation, create a good motivation for the employees to improve productivity, save costs and raise working efficiency. The average salary per capita in 2018 is estimated to be VND 10.5 million/ person/ month, reaching 108% compared to the plan, the remuneration regime is fully and promptly implemented to ensure daily life of employees.
- Complete the construction of basic wage scale under the regional minimum wage in 2018 and the State's basic changes in increasing allowances for paying social insurance and supports in accordance with legal provisions on wages and social insurance.
- Monitoring and increase/ decrease reporting related to compulsory insurance policies are implemented in a timely manner, ensuring benefits for employees. The work of settling the prescribed regimes for workers has been improved to make monthly payments to workers.
- The work of wage grade increase for employees is implemented promptly in accordance with the legal provisions and regulations of the Company.
- The work of caring for daily life for company employees such as visiting, timely supporting the sick cases, contributing in motivating the employees, expressing the concern of the Company's leadership to daily life of employees. In 2018, VND 361,200,000 was provided to 169 staff and family members of the staff.

OHSAS 18001 (Occupational Health and Safety Assessment Series developed and issued by British Standards Institute (BSI):

- During the year, the inspection of OHSAS system operation was implemented at units in 3/2018 such as Concrete Culvert Enterprise, Construction Investment Department, TT279, Minh Hoa Works, Minh Thanh Works... to prepare for inviting the evaluation and certification of the system. At the same time, organize the working with the Delegation of Evaluation and Certification of Occupational Safety and Health System according to OHSAS 18001: 2007 standard in April 2018. As a result, the Company was granted the certificate of system meeting the requirements and standards by Vietnam Certification Center (Quacert)
- Revise the Procedures of Occupational Safety and Health System due to the merging of Construction Enterprise and Investment Department into Construction Investment Department
- Set up the Labor Protection Board at units and works in accordance with the regulations such as changing the members of the Occupational safety and hygiene Board at Construction Stone Enterprise in 05/2018, Concrete Culvert Enterprise in October/ 2018,...
- In the year, Occupational safety and hygiene was established at the works: Tru Van Tho Secondary School, Thuan An Fire Prevention and fighting Agency, Tan Dong Hiep primary school, Road DT746, DH406 road, etc...at the same time, supplement and change members of the Occupational safety and hygiene Board at Concrete Culvert Enterprise, Construction Stone Enterprise.

**Labor safety:**

- During the year, conduct the signing of the contract of sewing labor protection clothing, clothing of security guard staff and storekeeper in 2018 with the following quantity:
 - + 883 labor protection suits,
 - + 48 technical uniforms,
 - + 102 motorized suits,
 - + 859 sets for construction workers and hats
 for units such as Stone Enterprise, Concrete Culvert Enterprise, Construction Investment Department, TT279, construction workers (545 hats), 100 pairs of labor protection shoes
 ----> Total cost is over VND 408 million
- Promote communication and propaganda activities on occupational safety and health, fire and explosion prevention and propaganda to respond to Month of the Nation: hanging banners from the company office to production units and construction works from May 1, 2018 to May 31, 2018 with slogan such as: "Response to the Action Month for occupational safety and hygiene in 2018 (01/5/2018-31-31/5/2018)" or "Ensuring occupational safety, hygiene and fire prevention is everyone's responsibility"

- Implement labor safety training requirements in Decree No. 44/2016/ND-CP dated May 15, 2016 of the Government on detailing some articles of the Law on Occupational Safety and Health in training on occupational safety and hygiene. In the year, organize the labor safety and hygiene training for:
 - + Group 1: 12 people
 - + Group 2: 17 people
 - + Group 3: 117 people
 - + Group 6: 28 people
- Organize the survey of the working environment and periodic health examination for employees in accordance with the legal provisions. Through the health examination, the units sum up and classify the health and give recommendations of arranging jobs accordingly. Health examination result of the whole company includes:
 - + Type 1: 31 people accounting for 9.8 %,
 - + Type 2: 104 people accounting for 33%,
 - + Type 3: 96 people accounting for 30.4%,
 - + Type 4: 60 people accounting for 19%,
 - + Type 5: 05 people accounting for 1.59 %;
 - + Driver: 20 people accounting for 5.9 % và eligible for driving



04

EVALUATION OF THE BOARD OF MANAGEMENT



Evaluation of business activities of the company

Performance evaluation of of the Board of Directors

Plan and development orientation of the company

Construction sector

For the operation situation in the year, the Company faced many difficulties due to the decrease in the number of new projects. Most of the bid-winning construction works has been in slow progress due to quite slow construction implementation, subcontractors have not mobilized manpower to meet the construction requirements, along with the fact that Construction Investment Department has been stabilizing the personnel structure after merging Construction Enterprise and Investment Department... The bidding marketing and bidding work continues to be difficult, the value of bid-winning works is VND 115,111 billion, reaching 64% of the plan, down 36% compared to the same period of 2017 due to the fierce competition among contractors, the increasingly high number of new contractors capable of participating in projects in the province. In addition, the Company's bidding work is also affected by the constraints on the contractor capacity ranking regulations and no construction work is delayed. However, due to the fact that the volume of transitive works from 2017 is relatively large and most of the works are in the stage of completion and handover in 2018, construction and installation revenue still ensures the plan.



Tru Van Tho School Work

Construction equipment lease

In the sector of construction equipment lease, the market currently tends to switch to using wedge scaffolding system, disk scaffolding system, hot-dip galvanized scaffolds and falseworks with higher quality than traditional equipment. While retail customers often invested in scaffolds to use, so the potential for new rental customers was relatively difficult. The Company invested Ringlock disk scaffolding system at the end of third quarter of 2018 for lease. However, no positive result was recorded, so the number of rental equipment in the year is generally low. Therefore, the business results of the year were low compared to the set plan.

Concrete culvert sector

Business situation in the year has many advantages, consumption was maintained at a decent level. However, the competition in this sector was quite fierce, especially in the segment of industrial zone and urban area construction, customers prefer pressing vibration culvert products because their prices were usually 10% - 15% lower than those of centrifugal culverts. In addition, customers often signed contracts with suppliers who had products that were not only diversified but also pressing vibration culverts and centrifugal culverts to simplify the purchase process. The centrifugal culvert products of the Company currently mainly served for infrastructure projects with state capital, however the disbursement of budget in 2018 was relatively slow, which partly affected the revenue of this segment. In the five segments of civil and industrial customers that have been gradually recovered, the Company marketed culverts with new design meeting market demand so the small culverts was consumed well, type of fi 300-500 increased 12% and type of fi 600-800 increased by 29%, helping compensate the decline in output of large culverts. The company also built and operated LAS meeting the conditions for specialized construction experiment, which was considered the first step to improve the quality of culvert products as well as deploying the project of extend the second stage of box culvert workshop with core vibrating technology. However, the implementation time was slower than expected, so in 2018, it failed to be put into operation, it is expected to be completed and put into operation by the end of the first quarter of 2019, thus boosting the output of small and medium-sized box culverts and pipe culverts of all kinds, helping reduce pressure with centrifugal rotary rigs of small sized culverts and then focusing on the production of large sized culverts with higher economic value.

**Construction material sector**

In the year, iron and steel business activities continued to compete fiercely with competitors who were major distributors. The main factors influencing buying decisions of customers were selling prices and debt time, while due to the slow debt recovery from old customers, high debt level, the Company limited the new purchase orders to focus on the recovery of debts, which partly affected sales in this sector. During the year, the Company strengthened its search for customers in Binh Duong, Tay Ninh and Ho Chi Minh city. However, the number of new customers was still limited in Ho Chi Minh City, mainly selling to traditional major customers.

Sector of concrete brick production (interlocking brick, Terrazzo brick)

The production and business situation in 2018 faced many difficulties, due to the slow consumption, the marketing for gaining purchase orders was expanded but there was no positive result. The production capacity of the Company was still limited in output and design, so for large orders with fast supply progress, the company has not met the requirements. Besides, the products had a large weight, so transportation costs were high, making it difficult to negotiate a contract.

Construction stone sector

The company faced many difficulties due to the prolonged time when carrying out procedures of applying for permitting the extension of mining to depth cos -150m, the mining period was until the end of 2019. However, the scarcity of stone resources at Tan Dong Hiep quarry promoted the increase in stone selling prices, compensating the decline in consumption output of stone for the first 9 months of 2018. After enterprises in the cluster of Tan Dong Hiep quarry and Nui Da Nho quarry were granted permission to extend stone mining in September 2018, the advantage of selling prices was no longer available, the Company must reduce the prices of stone sharply to compete with rivals, the market was gradually saturated, some customers tended to switch to using stone in the area of Tan Cang and Thanh Phu quarries, along with the decline in transport infrastructure works in the area, the cargo loading operation was increasingly stricter, leading to the fact that the stone consumption market of the Company in the late 2018 was reduced and not dynamic compared that of the previous year.

**Evaluation of performance of the Board of General Directors of the Company**

- The company's production and business activities in 2018 generally basically accomplish the set objectives. Its revenue exceeded the plan, despite a 15% profit growth compared to 2017, only 91% of the plan was reached, net profit margin reached 15% ... The BOM highly appreciated the efforts of the General Director and the Executive Board at all levels in the process of implementing the Company's production and business plan in 2018.
- During the year, the General Director and the Executive Board fulfilled their role well through flexible and timely management solutions in accordance with the guidelines and orientations of the BOM. The guidelines and directions given by the BOM were also fully and promptly implemented by the General Director and reported in detail the implementation results with a high sense of responsibility in work, qualifications, capabilities and qualities. Being fully trained in professional areas, and knowledgeable in the assigned works, had nearly 30 years of experience in management and administration in the Company.
- The results achieved for the past year have been the great contribution of the Board of General Directors and the Executive Board of enterprises, all production and business sectors have continued to be maintained and strengthen the trust from partners, customers and shareholders. The Board of Management believes that with solid and flexible solutions in the management of the General Director of the company and the Executive Board at all levels will contribute in increasing the stability in production activities, step by step conquer new markets, fastidious markets in the region in the context of complicated difficulties

Orientation for 2019

- ✓ Establish a new company specialized in construction minerals with the capital contribution ratio of 80% to participate in the bidding of construction stone quarry with an area of 106 ha in Tan Lap - Dong Phu - Binh Phuoc and potential stone quarries in the locality to compensate for the shortage and ensure stable source of stone mining when Tan Dong Hiep Quarry expires at the end of 2019.
- ✓ Deploy the plan of stone reserve in 2019 in order to use up rubble source, at the same time coordinate with the units in Tan Dong Hiep quarry cluster to set up the plan of renovation and closing of the quarry after expiration of stone mining at the end of 2019.
- ✓ Contribute capital to BOT transport investment project to create a long-term stable source of income.
- ✓ Expand the marketing to search for find out the construction works with public capital and private capital; link bidding and construction to improve competitiveness of construction and installation activities; focus on improving and coordinating well among the departments of the Company to improve the quality of bidding documents, cost price management, provision of materials, effective supervision and construction coordination.
- ✓ Ensure the disbursement rate for investment plan in 2019 reached over 75%, especially focusing on completing the second phase of project of Thanh Phuoc box culvert with core vibrating technology to put into operation in the first quarter of 2019 for increasing production capacity. Deploy the Workshop project in Long Nguyen to produce pressing vibration concrete box culverts to diversify structural concrete products.
- ✓ Increase the revenue proportion in the HCMC market to 40%, Binh Duong market must reach over 40% of total revenue. Focus on developing Dong Nai, Tay Ninh and Long An markets. Conduct the bidding and construction of at least one project with scale of over VND 60 billion.
- ✓ Complete the planning adjustment procedures, build infrastructure and deploy real estate trading of Nguyen Van Tiet residential area project. Lease the land and workshop area in Thuan Giao.
- ✓ Survey to purchase potential and large enough land area in Tan Uyen to invest in residential area project. This is one of the driving forces in the coming time to compensate for the decline in revenue from stone products after 2020.
- ✓ Strengthen the works of internal management, cost prices and norms to control costs, maximally save input costs and reduce product cost prices in order to increase price competitiveness in the market.

Business plan 2019

General financial target 2019

Business plan in 2019 is built while the market is forecasted to have mixed advantages and disadvantages. The plan is established on the basis that Tan Dong Hiep quarry is operating stably in 2019 as well as on the basis of analyzing the business environment and the current situation of the Company to set the business orientation and objectives. Appropriate business plan to ensure operational efficiency, bring benefits to the shareholders and employees of the Company.

Through reference to the judgements and forecasts together with the evaluation of internal capabilities, the BOM sets up the production and business plan and orientation in 2019 including the following basic criteria:

- Revenue from sales and provision of services is VND 875,000 million, up 21% compared to the estimated performance in 2018.
- Profit from production and business activities is VND 135,000 million, up 17% compared to 2018.
- Profit after tax is VND 108,000 million, up 17% compared to 2018.
- Basic earnings per share are VND 7,186/ share, up 17% compared to 2018.
- Dividend payment ratio is 24% of charter capital, equivalent to VND 2,400/share

Production plan

- The value of production and business output in 2019 is VND 699,462 million, up 18% compared to the performance in 2018, in which construction stone at VND 259,000 million, accounting for 37%; construction and installation at VND 176,500 million, accounting for 25%; concrete culvert and culvert bearing pad at VND 126,222 million, accounting for 18%; Other products are VND 88,420 million accounting for 13%.

Revenue plan

- The planned revenue from production and business activities in 2019 was VND 875,000 million, up 21% compared to the performance in 2018. In which, revenue from construction stone was 4%, concrete culvert 14%, material trading 46%. Revenue structure of construction stone, construction and installation, concrete culvert continued to be the key product of the Company: Construction stone accounted for 29%, construction and installation accounted for 19%, concrete culvert accounted for 18% and other sectors 16%. Revenue plan for 2019 is quite good compared to 2018 thanks to the contribution of revenue from the second phase of concrete box culvert workshop of Thanh Phuoc project, trading of construction materials, real estate and the revenue growth of stone product, construction and installation are also expected to be better than 2018.

Personnel plan

- Labors decreases by 12% (357/404) compared to the average number of employees in 2018 due to the policy of reducing labor and converting labor use by contracting with business households. Recruitment increases compared to the performance in 2018 due to recruitment of sales staff and workers for production expansion at the box culvert workshop in Thanh Phuoc expected in the second quarter of 2019. The average salary of employees is VND 11,700,000/ person/ month, equivalent to an average income of VND 13,700,000/ person/ month, up 11% compared to the performance in 2018. Costs of human resources include salary, recruitment, training and welfare are expected to be VND 63,063 million, up 6% compared to the performance in 2018. The main reason is that basic salary increases by 5.3%, the revenue increases as planned in 2019 at units.

Production and business activities

Sector of construction stone mining and processing

Coordinate with companies in Tan Dong Hiep Quarry to fulfill commitments with local agencies and authorities on safety and environment in mining and processing activities. Make plan to implement the plan of relocation and site clearance for mining and processing activities to reserve raw stone, finished stone, and to use up stone products after the expiration of quarry mining at the end of 2019. Focus on processing stone products in the market with a high demand; maintain continuous mining and production activities. Develop flexible sales policies in the market from time to time; ensure consumption output and benefits for the Company.

Construction and installation sector

Focus on bidding of construction works with public capital and private capital in Binh Duong province, Ho Chi Minh City and some neighboring provinces; ensure the bid-winning value in 2019 is VND 220,000 million. Speed up the execution of ongoing projects such as the construction works of Tran Van On Street, Nguyen Van Troi School to complete in the specified progress. Organize the model of construction management based on the nature of professional departments, promote the coordination and interaction among departments, boost the proactive coordination factor in the implementation process. Search and consolidate the list of qualified subcontractors, suppliers with reasonable prices, especially natural materials such as stone, gravel, soil... in order to control the establishment of the bidding price. Strengthen the improvement and optimization of mechanization measures to shorten the progress, research and apply mechanized measures into construction activities to speed up the progress and reduce construction cost prices towards increasing the working productivity.

Concrete culvert sector

Focus on stepping into the market in Ho Chi Minh City such as Nha Be District, District 7, Binh Chanh, Cu Chi, Hoc Mon, District 2, District 9 and Ben Luc, Duc Hoa, Long An and Tay Ninh. At the same time, develop appropriate sales policies to ensure competitive prices in these areas. Continue to build and promote the brand through website, google, focus on Ho Chi Minh City, Binh Duong and Tay Ninh markets, as well as marketing of new concrete culvert products with core vibration technology when Phase 2 of Thanh Phuoc project is put into operation to promote sales activities. Strengthen quality management and ensure that goods error rate goes below 1%. In particular, focus on controlling and quantifying quality under the production process from raw materials to finished products.

Concrete brick sector

Promote marketing, introduction of products to investors, project management units, construction projects and build flexible sales policies, competitive prices to attract customers. Stabilize the production through keeping the regular maintenance of machinery and equipment, arrange production depending on the orders and storage accordingly.

Sector of construction equipment lease

Enhance marketing to search for customers for increasing rental output and reducing the equipment inventory. Enhance the maintenance of existing equipment to ensure that the equipment meets the standard quality for customers.

Sector of construction material trading

Promote marketing to search for new customers, in which focusing on reaching customers who are contractors, reputable construction companies. Research the fluctuations in world and domestic iron and steel prices to proactively import goods to serve business effectively. At the same time, strengthen debt recovery, secure debt receivables of customers in accordance with the Company's regulations.

Investment work

- Focus on deploying programs and projects as planned from the beginning of the year of 2019, in which priority is given to the establishment of a mineral company to participate in the bidding of quarry mining in Tan Lap - Dong Phu - Binh Phuoc, contributing capital to Dong Phu - Binh Duong BOT project, finalizing phase 2 of Thanh Phuoc Concrete Workshop using core vibration technology to put into operation in the first quarter of 2019 and deploying project of producing pressing vibration culvert in Long Nguyen using pressing vibration technology in 2019.
- Focus on evaluating the effectiveness of investment projects, determining capital needs for each project to be proactive in deploying and implementing projects.

Financial work

- There are plans to use loans, retained earnings to finance long-term investment activities and use assets formed from investment activities to mortgage for compensating for operating cash flow to ensure healthy financial situation.
- Strengthen the inspection and control of the financial situation, manage receivables from and payables of customers, regularly analyze financial indicators to make plans as well as take measures accordingly. At the same time, regularly update the changes of the accounting regime to handle as regulated.

Human resource work

- Organize Annual General Meeting of Shareholders 2019 and elect members of the Board of Management of the Company for the term of 2019-2024.
- Implement programs to increase labor productivity such as mechanization, application of machinery to production and improvement of production organization.
- Maintain the inspection and supervision of the implementation of regulations on wages and policies at grass-roots units.
- Develop recruitment plans, welfare regimes to attract the attention of qualified candidates, working in a long term for the Company.
- Promote internal training through the development of regulations on internal training, regimes for internal trainers



05

CORPORATE GOVERNANCE

**Board of Management****Sub-committees under Board of Management****Transactions, remuneration and benefits of the Board of Management and Board of General Directors****Meetings of the Board of Management****List of members of the Board of Management and the Board of General Directors with corporate governance training certificate**

Structure of Board of Management

No.	BOM Members	Position	Start date/ Date no longer a BOM member	Number of BOM meetings attended	Attending rate	Reason for unattendance
1	Vo Van Lanh	Chairman of BOD cum CEO	11/12/2008	10/10	100%	
2	Tran Van Binh	Member of BOM cum Deputy CEO	21/04/2017	10/10	100%	
3	Le Thi Quyet	Independent BOM member	21/04/2017	10/10	100%	
4	Thuong Van Huy- en	Non-executive BOM member	26/04/2018	8/8	100%	Additional election from 26/4/2018
5	Nguyen Le Van	Independent BOM member	26/04/2018	8/8	100%	Additional election from 26/4/2018
6	Nguyen Xuan Hieu	BOM Member cum Chief Ac- countant		2/2	100%	Resigned from 26/4/2018
7	Nguyen The Phi	BOM member cum Sales Man- ager		2/2	100%	Resigned from 26/4/2018

Development Policy Subcommittee

Help the BOM to plan long-term development policies and strategies of the Company. Evaluate and report the results of strategic implementation in each phase.

In 2018

- Propose and promote business activities in the sectors of concrete culvert, construction and installation, construction material trading to compensate for the decline in revenue of the construction stone sector due to the prolonged time of application for extending mining license.
- Follow the procedures for transferring shares in Thu Duc centrifugal Concrete Joint Stock Company – Long An; raise the holding rate to 28.91% of the company in Mien Dong Joint Stock Company.
- Implement the Resolution of the General Meeting of Shareholders and already successfully issue 10% of bonus shares to increase share capital from owner's equity.
- Advise the BOM, orient and implement the compensation of 6.5 hectares of land in Tan My commune, Bac Tan Uyen district, Binh Duong province to serve the project after 2020.
- Direct financial and business objectives for 2019

Internal Audit Subcommittee**Performance in 2018**

In 2018, the Internal Audit Subcommittee assisted the Board of Directors in controlling all activities of the Company within the jurisdiction of BOM such as quality controlling quality of goods, products, production and business activities, material consumption norms, purchase of fixed assets, investment in projects, etc... Ensure independent objectives and consulting activities to increase value and improve the business activities of the Company. Help the Company achieve its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control system and management process. Protect the value for the Company, supervise the company's activities to ensure the compliance with legal regulations and business ethics. Detect errors in business activities of the Company; advise the BOM to orient the strategy, direct, guide and supervise the Board of General Directors in implementation; control risks, improve weaknesses of the management system related to corporate governance; check and supervise the operation process of departments and divisions in the business apparatus, help the company operate more efficiently and efficiently.

Proactively plan to carry out the assigned tasks and conduct 2 inspections on June 19, 2018 and September 25, 2018. In addition, there are also many separate themed meetings with the participation of relevant members. After each inspection, each meeting as well as at the end of the fiscal year of 2018, the audit subcommittee has summarized and submitted the performance results to BOM and the Annual General Meeting. Summarize activities of the Audit Subcommittee is as follows:

Regarding supervision of financial statements:

Supervise and check the appropriateness of the Financial Statements with the accounting policies, accounting standards every quarter, every 6 months and every year before the Executive Board submits to the BOM, the General Meeting of Shareholders and disclose information to the public under the legal provisions;

Give opinion on the truthfulness, completeness, timeliness and suitability of the financial statements with the accounting policies, accounting standards and applicable legal regulations, not recording anything unusual related to the transactions with related parties such as buying and selling of goods, capital contribution, dividend payment, etc..

During the year in addition to provisioning VND 15,362,500,000 advance for trading with Mr. Tran Huu Nghia, there was no change in management that seriously affected the financial situation and financial statements of Company.

Check and review all aspects related to the Financial Statements and acknowledgment of AASC Auditing Firm Company Limited on the result of production and business activities and recommendations of the Auditing Company.

Regarding independent audit service supervision:

The supervision result shows that the audit quality and review of financial statements 2018 of independent auditor are in line with the Company's requirements on the scope, objects, method and progress of auditing; satisfying the objectiveness and reliability of the audit opinion. The auditing officers are highly qualified and much experienced with contributions to improve the effectiveness of the financial management of the company that is audited in accordance with the policies of the state as well as specific regulations of the company. Audit report and review are issued in accordance with the time as stated in the audit contract and the cost of auditing service at an appropriate level.

For the selection of an independent Auditing Company for the fiscal year of 2019, the Internal Audit Subcommittee will recommend to the BOM for approval and submit to the General Meeting of Shareholders for voting.

Control of all activities of the Company:

Check at the Company Office: The land area and the land use right certificate are fully archived to avoid losses and disputes later. Open a logbook of financial investments in name of an individual for easy inspection and have economic operations that record legal assurance. Large advances have a clear origin; financial investments, stock investments are recorded and documented in detail for tracking. Land area is more than 10 hectares in Tam Lap commune, Phu Giao district, Binh Duong province, the Company is planning to cooperate in form of joint venture to apply for a mining license.

At the Construction Investment Department: The situation of construction sector in 2018 faced many difficulties due to the decrease in number of new constructions, the marketing of bidding continued to be difficult, the number of new contractors capable of participating in provincial projects is increasingly high, due to the influence of the contractor capacity ranking and there is no work with delayed progress... However, the volume of transitive works from 2017 to 2018 was relatively large and has been handed over in the year, so the construction and installation surpassed the planned targets. The department also needs to focus on the preparation of adequate and qualified bidding documents and coordinate with the material supply division of the Sales Department to provide materials to the construction work in a timely manner... Supervise and speed up the debt collection or recommend the measures of handling debts in 6 years of the Private Building of Ms. Xuan Loan.

Check at the Financial Department:

Currently, the Company has 2 Enterprises and Center for Construction Material Trading 279 under the Financial Department of the Company located in Binh Duong Province, all dependent accountings do not use separate invoices with general log accounting form. The audit subcommittee selects some forms of payment documents; check the costs and cost prices, the situation of debts, debts receivable, debts payable, the situation of implementation of production and business plans... Through checking receipts and invoices, the Company implement the process of checking and supervising costs with the coordination from the Sales Department, Enterprises and Center for Construction Material Trading 279, the process of circulating documents is meticulous and reasonable, recording the actual expenses arising from the production teams and prepare documents through the Sales Department for checking and comparing, then transfer to the Finance and Accounting Department for recognition. This supervision process helps the Company supervise expenses, minimize frauds in production and business. The Company tracks reports and analyzes debt age by week, thereby helping the General Director know the situation of debts arising.

During the inspection process, the Internal Audit Subcommittee realized that the Company applied a strict management process, from recording costs to recording and accounting of debts at enterprises and departments, debt monitoring was in accordance with a relatively good process, bookkeeping data is transparent and clear

At Concrete Culvert Enterprise:

Implement well regulations on product selling prices applied by the Company; report the warehousing and delivery, inventory finished products; control cost prices. However, it is necessary to further increase the competitiveness of selling prices, have appropriate plans to increase productivity and reduce cost prices. The Company should pay attention to reconciling debts promptly and in accordance with regulations, especially for customers who pay later, urge the debt collection much better. Regarding sales for post-payment, without payment guarantee, it is recommended that the Company works with the Board of General Directors of the Company relating to having a clear mechanism for the Enterprises, such as debt limit, payment term... At the time of inspection, the subcommittee has not discovered any major shortcomings in operation as well as management at the Enterprise. The Enterprise also recommends the Company's leadership to consider the piecework-based wage payment depending on the revenue for the company to boost productivity, increase revenue, contributing in bringing the operation efficiency of the Enterprise. Complete the production and business plan in 2018.

At Construction Stone Enterprise:

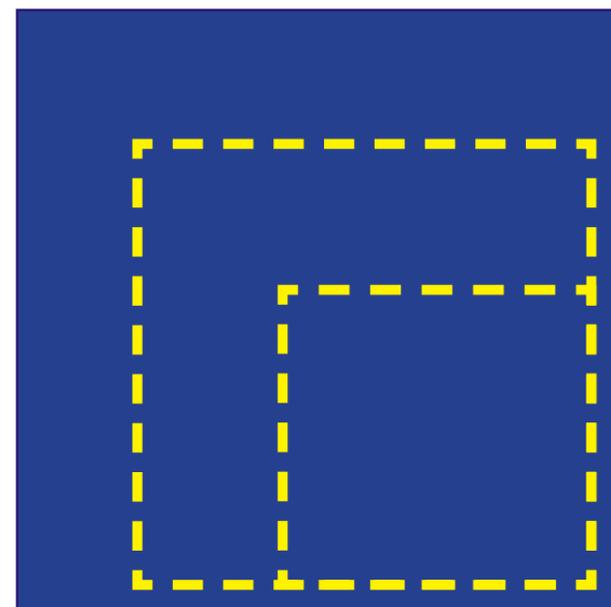
Basically complete the production and business plan for 2018 despite of the decrease in the revenue due to the prolonged time of application for extending the stone mining license to the end of September 2018 and the consumption situation in Quarter IV/2018 also declined sharply in the Western market and transport infrastructure projects... Tracking of debts receivable was quite good. However, the Enterprise should pay attention to confirming the minutes of reconciliation of monthly debts, keep a complete record, especially customers still owed and post-payment customers. It is recommended to maintain after-sales policy, create long-term commitment to customers, especially customers who bought with large volumes and good payment. For brick products with low revenue but high debt, the Enterprise should determine the debt age to supervise and urge speed up the recovery in a timely manner. It's needed to find ways to reduce cost prices to boost the consumption, selling prices are currently high, thereby difficult to compete in the market.

Recommendations of the Internal Audit Subcommittee:

- Regarding the advance payment to Mr. Tran Huu Nghia to buy 1,555,593 shares of Thu Duc Centrifugal Concrete Joint Stock Company - Long An, the Board of Directors is asked to speed up the completion of the documents for the People's Court of Long An province to soon make the final decision and finalize the transfer of shares to protect assets for the Company.
- For some shares of DHA and MDG still in the name of the internal audit committee individual, the Board of Directors needs to carry out the procedure to transfer the name to the Company to avoid the troubles affecting the financial situation of the Company.
- The workshop management cost accounting for Center for Construction Material Trading 279 is not reasonable between two divisions of equipment leasing and material trading, making the cost prices of equipment leasing activity become high, business performance of this division become inaccurate.
- Currently, the company is employing about 350 employees, in which 100 employees at the Construction Stone Enterprise alone. In 2018, according to the new regulation, the social insurance payment rate is calculated based on the actual income of the employees, so social insurance premium is very high, affecting the business result of the Company. The Audit Subcommittee recommends transferring the number of employees to subcontractor to manage and use for the tasks assigned to the subcontractor.
- The Company is unbalanced between debts receivable and payable, the debts receivable are 3.2 times higher than the debts payable, which increases the cost of capital use.
- The construction material trading of Center 279 is not effective because most customers are buying in an inadequate quantity with overdue debts. If the Company does not change the business plan, bad debts arise, which is necessary to make provisions, the Center will get loss.
- Operation in construction sector, the current business management plan fails to fully promote the sense of responsibility of the direct manager. The audit subcommittee suggests that the Company should study to change the business plan in form of piecework payment so that the direct management department will be more proactive.
- The Company is required to accept the proposal of Concrete Culvert Enterprise related to piecework-based wage payment under the revenue for the enterprise in order to boost productivity, increase revenue, promote all initiatives of the sales team and management department.

HR, remuneration and legal subcommittee:

Responsible for the recruitment of senior personnel for the management and administration apparatus of the Company, namely the Board of General Directors. Advise the Board of General Directors on legal issues related to the organization, administration and management of production and business activities to protect the legal rights of the company. Advise and provide legal opinions to the BOM and General Director related to the ways, processes and procedures for outward investment (buying, selling, transferring, splitting, merging, joint venture, business association, financial investment...)



No.	Resolution	Date	Approved contents
1	01/NQ-HDQT	31/01/2018	Select the last registration date for the list to organize the Annual General Meeting of Shareholders 2018
2	02/NQ-HDQT	31/01/2018	The policy of buying shares and raising the holding rate in Mien Dong JSC to 49%.
3	03/NQ-HDQT	31/01/2018	The policy of lending and using assets as a security measure at BIDV Bank - Nam Binh Duong Branch
4	04/NQ-HDQT	31/01/2018	<ul style="list-style-type: none"> General Director's report on the production and business activities in December 2017 and the 2017 summary report. Make bonus payment to Leadership of grassroot units in 2017 was: VND 576,000,000. Make bonus payment for savings of materials, costs to Construction Stone Enterprise in 2017 was: VND 1,094,367,000. Salary fund 2017 of the Board of General Directors: <ul style="list-style-type: none"> + Salary of General Director: VND 773.480.000 + Salary of Deputy General Director: VND 565.235.000 + Salary of Chief Accountant: VND 464.087.000 Planned salary fund 2018 of the Board of General Directors: Based on the salary level of the previous year adjacent to the growth rate and the proportion of wage structure allocation of the targets: Revenue (40%), Profit (40%) and Labor productivity (20%). Calculated by the following formula: <ul style="list-style-type: none"> Planned salary fund = Revenue salary fund + Profit salary fund + Labor productivity salary fund + Salary of General Director: VND 942,383,000 + Salary of Deputy General Director: VND 688,663,000 + Salary of Chief Accountant: VND 565,429,000 Every month, advance 80% of the approved planned salary fund, upon the final settlement, the coefficient and the actual salary fund will be recalculated. Make plan and establish the Organizing Committee for Annual General Meeting of Shareholders 2018
5	05/NQ-HDQT	19/03/2018	Working contents at the Annual General Meeting of Shareholders 2018

No.	Resolution	Date	Approved contents
6	06/NQ-HDQT	19/03/2018	<ul style="list-style-type: none"> General Director's report on production and business performance - February 2018. Invest in the production line of box culvert under Thanh Phuoc Concrete Factory project, phase 2: <ul style="list-style-type: none"> + New 100% concrete mixing station, expected investment value: VND 1,850,000,000. + 100% new double core vibrator, made in Germany, production of round culverts, box culverts, with an investment value of about 620,000 Euro. Receive the application for resignation from the independent BOM member of Mr. Nguyen Xuan Hieu and submit to the Annual General Meeting of Shareholders 2018 for approval. Introduce candidates to elect additional independent BOM member to meet the criteria and conditions as prescribed to introduce to the Annual General Meeting of Shareholders 2018 in case shareholders, group of shareholders do not stand for election or nominated candidate fails to meet the criteria and conditions
7	07/NQ-HDQT	21/05/2018	Documents of application for share issuance to increase share capital from owner's equity and implement the issuance plan
8	08/NQ-HDQT	21/05/2018	The policy of lending and using assets as a security measure at BIDV Bank - Nam Binh Duong Branch.
9	09/NQ-HDQT	21/05/2018	The policy of lending and using assets as a security measure at Vietinbank - Binh Duong Branch
10	10/NQ-HDQT	21/05/2018	The policy of lending and using assets as a security measure at MB Bank - Binh Duong Branch
11	11/NQ-HDQT	21/05/2018	<ul style="list-style-type: none"> Assign tasks to BOM members and assistants to the Sub-Committees under the BOM: <ul style="list-style-type: none"> 1. Development Policy Subcommittee: <ul style="list-style-type: none"> Mr. Vo Van Lanh - Chairman cum General Director - Head of Subcommittee Mr. Tran Van Binh - Executive BOM Member - Member Mr. Duong Van Quoc - Employee of Sales Department - Member

STT	Số Nghị quyết	Ngày	Nội dung được thông qua
11			<p>2. HR, remuneration and legal subcommittee:</p> <ul style="list-style-type: none"> Mr. Nguyen Le Van - Independent Board Member - Head of Subcommittee Mr. Thuong Van Huyen - Non-executive BOM member - Member Mr. Le Thai Tu - Employee of HR Department - Member <p>3. Internal Audit Subcommittee:</p> <ul style="list-style-type: none"> Ms. Le Thi Quyet - Independent BOM Member - Head of Subcommittee Mr. Thuong Van Huyen - Non-executive BOM member - Member Mr. Phan Huy Thuan - Employee of Sales Department - Member
12	12/NQ-HĐQT	21/05/2018	Divide the remuneration of the BOM, Sub-committees under the BOM and the person in charge of corporate governance
13	13/NQ-HĐQT	21/05/2018	Approve the appointment of the Director of Concrete Culvert Enterprise for Mr. Huynh Ngoc Hung, the office term is 03 (three) years from 01/06/2018.
14	14/NQ-HĐQT	21/05/2018	<ul style="list-style-type: none"> Merge Existing Construction Enterprise and Investment Department into Construction Investment Department. Terminate the operation of Construction and Installation Enterprise Branch at No. 9C Nguyen Van Tiet, Dong Tu Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province.
15	15/NQ-HĐQT	21/05/2018	<ul style="list-style-type: none"> Report of the General Director about the situation of production and business activities in 4/2018. Remove the Operation Regulation of the Board of Management because most of the contents of the regulation are stipulated in the Enterprise Law, guiding documents, Company Charter and internal regulations on corporate governance.
16	16/NQ-HĐQT	10/07/2018	<p>Register additional securities at VSD and list additionally with HOSE.</p> <ul style="list-style-type: none"> Change charter capital and adjust Business Registration Certificate : <ul style="list-style-type: none"> + Before changing: VND 136,639,920,000 + Change: VND 13,661,530,000 + After changing: VND 150,301,450,000 <p>Reasons for change: Issue shares to increase share capital from owner's equity: 1,366,153 shares.</p> <ul style="list-style-type: none"> Time of capital change: July 10, 2018.

STT	Số Nghị quyết	Ngày	Nội dung được thông qua
17	17/NQ-HĐQT	28/07/2018	Allow the resignation from assistant member of the Human Resource Subcommittee under the BOM of Mr. Le Thai Tu - Employee of HR Department from July 28, 2018 under the personal aspiration
18	18/NQ-HĐQT	28/07/2018	Construction investment project of Construction Enterprise Office in Binh Phu Quarter, Binh Chuan Ward and Binh Thuan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province. Total investment value is VND 13,250,000,000.
19	19/NQ-HĐQT	20/08/2018	<ul style="list-style-type: none"> Approve the General Director to sign a contract of liquidated asset sales and purchase with Mien Dong Joint Stock Company (MDC), an organization related to internal person of CIC3-2. Authorize the Company's General Director to sign contracts, transactions between CIC3-2 and MDC and in charge for disclosing information and reporting in accordance with future contracts and transactions.
20	20/NQ-HĐQT	24/08/2018	Allow the resignation from assistant member of the Development Policy Subcommittee under the BOM of Mr. Duong Van Quoc - Employee of Sales Department from 24/8/2018 under the personal aspiration
21	21/NQ-HĐQT	10/09/2018	<ul style="list-style-type: none"> Advocate to allow the Company to buy land for building an unburnt brick factory according to Report No. 517/TTr-CTY dated 08/9/2018 of the General Director. Assign General Director of the Company to negotiate to buy land in Tan My commune, Bac Tan Uyen district, Binh Duong province with an area of 65,577.4 m2. The maximum price to buy the land is: VND 350,731/m2.
22	22/NQ-HĐQT	23/10/2018	Information Disclosure Regulations at Construction Investment Corporation 3-2.
23	23/NQ-HĐQT	23/10/2018	Final registration date to exercise the right to advance the Company dividend of the first phase of 2018 in cash for existing shareholders. Implementation rate is 12%/ share.
24	24/NQ-HĐQT	27/12/2018	Estimated production and business performance in 2018 and business plan for 2019.
25	25/NQ-HĐQT	27/12/2018	<ul style="list-style-type: none"> Advance 70% of remuneration of the BOM, Supervisory Board, person in charge of Corporate Governance and members of the Subcommittees in 2018. Advance 70% bonus fund to Management and Administration Committee operated in 2018.

No.	Full name	Position	Remuneration	Salary + Bonus
I. Board of Management				
1	Vo Van Lanh	Chairman of the BOM cum General Director	343,815,000	
2	Tran Van Binh	BOM Member cum Deputy General Director	180,955,000	
3	Le Thi Quyet	BOM Member	220,266,000	
4	Thuong Van Huyen	BOM Member	117,934,000	
5	Nguyen Le Van	BOM Member	157,245,000	
6	Nguyen Xuan Hieu	BOM Member	63,021,000	
7	Nguyen The Phi	BOM Member	63,021,000	

II. Board of General Directors				
1	Vo Van Lanh	General Director		1,634,170,000
2	Tran Van Binh	Deputy General Director		1,170,498,000
3	Nguyen Xuan Hieu	Chief Accountant cum Finance and Accounting Manager		1,057,544,000

Transactions between the Company and internal person

No transaction

MEMBERS OF THE BOM, BOARD OF GENERAL DIRECTORS WITH CERTIFICATE OF ON CORPORATE GOVERNANCE

No.	Full name	Position	Note
I. Board of Management			
1	Vo Van Lanh	Chairman of BOM	
2	Tran Van Binh	BOM Member	
3	Le Thi Quyet	BOM Member	
II. Ban kiểm soát			
1	Phan Thi Thanh Xuan	Head of Supervisory Board	
2	Van Hoang Tung	Member of Supervisory Board	
3	Pham Thi Thuy Tien	Member of Supervisory Board	
III. Board of General Directors			
1	Vo Van Lanh	General Director	
2	Tran Van Binh	Deputy General Director	
3	Nguyễn Xuân Hiếu	Chief Accountant	
IV. Person authorized to disclose information			
1	Lu Minh Quan	Person in charge of corporate governance	



06

SUSTAINABLE DEVELOPMENT REPORT

“
CIC 3-2 FOR A SUSTAINABLE DEVELOPMENT FUTURE
 ”

Environmental target (water and energy consumption, emission),...

The Company fulfills the requirements of water and energy consumption...Conduct the saving practice and regularly find investment solutions to replace old machinery and equipment with new machinery and equipment for energy saving in use.

The company fully meets environmental targets, fully complies with the requirements of Law on Environment.

Specifically:

- Total water used in 2018 was VND 125,867,558.
- Total power used by the Company in 2018 was VND 7,802,024,922.

Saved energy through initiatives on effective energy use.

The Company applies new technology using LED lamp to replace fluorescent lamp effectively, reducing power consumption and cost to 23%, the causes of reduction are as follows:

- When using the light for work requirements, the number of LED bulbs used in the rooms is less when using fluorescent light with only using 70% of the number of light bulbs.
- 1m2 light bulb with 1 bulb LED capacity is 18W, while fluor-escent light is 36W (theoretically), reducing electricity usage by 50%.
- In addition to saving electricity, the use of LED light also helps save investment and replacement costs. For example, when using light fixture, mouse hole and ballast are required and light bulbs have a higher cost than using LED light with only need fixture and bulb.
- The saved amount of electricity in use is by 1,346 KWh on a monthly basis.

The company does not violate any environmental law or regulation



Saving in use of resources, reduction of greenhouse gas emission, response to and adaptation to climate change

- Exploit, use reasonably and economically natural resources, recycle and reuse wastewater for sewer maintenance, plant watering, dust treatment...
- Save the electric power to replace photovoltaic bulbs into LED light bulbs with modern technology, turn off electricity when there is no need to use and use electrical devices with low power consumption and electricity saving...
- Search for renewable energy sources to apply for boiler burning and other alternative energies in production and business activities.
- Research and apply science and technology in production and business to reduce fuel consumption, energy, reduce greenhouse gas emissions and respond to climate change.

Water supply source and water volume in use

- Water supply at the Company Office is the tapping water supplied by Thuan An Water Supply Enterprise with an average of 8m3 water per month.
- In addition to using groundwater at the Company Office, the amount of water in use is 03m3 of water per day.

Protection and use of water resources

- Construct a wastewater collection and treatment system to ensure that the post-treated water meets the Vietnam standards. After being treated, the water is reused such as for watering plants, sewer maintenance and watering the road for handling dust...
- All mining and discharging activities are licensed by the State and maintained by the Company in accordance with the license granted by competent authorities.



Prevention from pollution and troubleshooting, improvement of the environment

- Arrange personnel in partial charge of environmental work at the units and implement environmental protection plans.
- Invest in equipment to prevent from and respond to environmental incidents at production units such as investing in machinery meeting environmental standards with new technology, improving waste water treatment system and noise protection system... in areas producing concrete culverts...
- Invest further in wastewater collection and treatment systems meeting environmental standards and meeting Vietnamese standards.
- Strengthen activities of controlling, minimizing, treating emissions, dust, noise, vibration; ensure environmental technical standards, meeting the standard TCVN.
- Organize the propaganda and education activities to raise awareness of environmental protection for managers and workers such as making propaganda publications, organizing the activities of cleaning the environment, taking care of plants around the stone and culvert production area.

Environmental protection of air, dust, noise and vibration

Continue to invest in machinery and equipment produced under the modern technology at Thanh Phuoc Factory with systems for handling dust, exhaust gas, noise and vibration meeting environmental norms and standards. In order to limit dust in stone mining, the Company uses specialized watering vehicles to limit dust in the mining area and transport route from the quarry to the Company.



Noise protection system when turning sewer



Road watering truck at Stone Enterprise



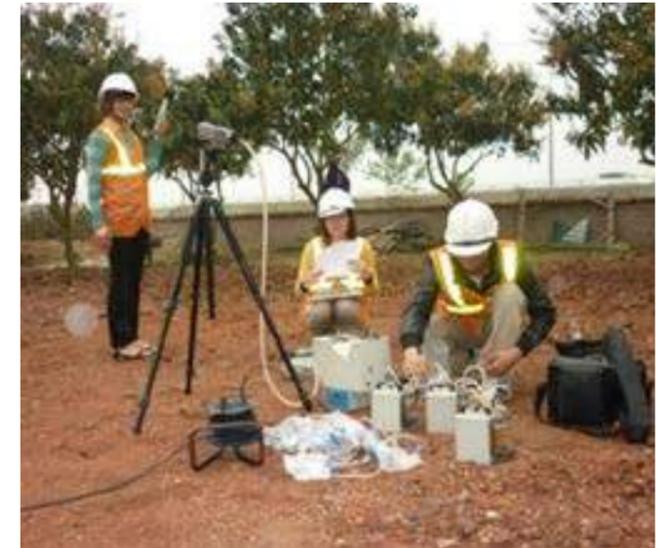
Smoke collection system

Protection and use of land resources

- The company enhances the effective, rational, economical and proper use of land resources allocated by the State for management and use such as layout of office, production area and planting green tree for the right purpose.
- Implement the production of products without risk of degrading land resources, preventing from soil pollution by hazardous wastes...

Protection and use of mineral resources

- The Company develops a reasonable mining and processing plan with a clear and comprehensive plan after finishing the quarry in the near future.
- Comply with regulations on exploration, mining, processing and minerals in accordance with the applicable law.
- Implement environmental deposit in mineral mining, at the same time revert to the original state of the environment under the EIA commitment at Tan Dong Hiep stone quarry after the end of the mining license at the end of 2019.



Protection of forest resources and protection of biodiversity

The company continues to maintain the green plants around the culvert production area and stone production area, and continues to grow more green plants in Thanh Phuoc concrete workshop area to minimize dispersal of dust...



Compliance with Vietnamese laws on environmental protection ensuring sustainability in production and business activities

- Fully implement environmental protection commitments under the Environmental Impact Assessment Report and approved by competent authority under each sector of production and business.
- Confirm the completion of environmental protection works at production units under the approved commitments.
- Groundwater discharge and exploitation activities shall be licensed by the competent authorities.
- Implement hazardous waste management, activities of collecting industrial waste, domestic waste that are gathered in accordance with the site as regulated, sign the contract of garbage collection with units with full functions and operating conditions recognized by state agencies.
- Pay environmental protection fees for discharged water, wastewater ... under the legal provisions.
- Survey the environment and ensure that survey results meet the standards as required by Vietnam Standards.
- Report, publish and provide environmental information; make environmental statistics and reports as regulated.

Labor contract:

- The Company maintains and complies with regulations on signing labor contracts with employees such as signing a probationary, definite and indefinite term contract..., comply with the probationary period under the legal provisions.
- Perform the termination of the contract in accordance with the applicable law, ensure the time of notice before unilaterally terminating the contract as prescribed.
- Do not keep the original version of personal, diploma and certificate documents of employees, or require employees to take measures to ensure money or other assets for the implementation of the labor contract.
- Fully implement the responsibility of the employer when terminating the labor contract such as severance allowances, job loss allowances for workers, returning insurance books...

Implementation of health care and welfare regime for employees as follows:

- Organize health examination twice a year for workers, occupational disease examination, sign medical contract with medical units for emergency support at the units.
- Maintain the visit for funeral and wedding of the family members of employees.
- Every year, award prizes to students as children of employees for achieving good academic results.
- Maintain annual vacation expenses for employees; organize vacation tours for employees who have achieved good labor achievements in the movement of good production and business emulation launched from the beginning of the year.



Training and enhancement of skills for workers

Every year, the Company develops a plan to train and bring employees to attend the professional training courses to improve their knowledge for production activities at the Company.



Implement labor regulations and register with local labor management agencies. Comply with the rules for the order and procedures for handling damages and labor discipline regulations



Comply with regulations on working and resting hours, eight-hour working day, a week without exceeding 48 hours... Agree with employees working overtime on holidays, New Year days and wage payment under the Law on Labor.



The Company maintains the establishment of a salary scale, set up labor norms, comply with regulations on wage payment for overtime, work at night, pay wages fully and on time on the 15th day of every month.



Participate fully in the regimes of compulsory insurance, health insurance, unemployment insurance for employees, in addition, the company also buys 24/24 accident insurance for workers who have signed labor contracts with the Company.



Comply with the salary level as a basis for social insurance payment and the period of paying social insurance premiums, not owe the insurance amount to the social insurance agency.



Maintain the implementation of democracy work at the workplace and fulfill the requirements of the signed Collective Agreement. Maintain good regular dialogue every 3 months and organize Conference of Workers at the beginning of the year



Fully comply with regulations on occupational safety and health, such as arranging workers for occupational safety and health, make statistics and classify labors performing heavy, toxic and dangerous works, labors performing the works with strict requirements on labor safety and in-kind training for these labors. Implement plans and measures to ensure labor safety, employees are trained periodically to ensure occupational safety as regulated, equip full personal protection means, conduct accident investigation in accordance with the regulations, develop plans for troubleshooting, emergency rescue...



Issue of responsibility for local community

In addition to production and business activities, the Company also actively participates in activities of society, charity, community development, environmental protection. Specifically:

- Every year, all employees of the Company participate in the campaign of supporting 2 paydays for the Fund for the Poor, supporting the relief fund for people suffering from natural disasters.
- The Company maintains annual support for Binh Duong Child Support Fund. The Fund was established to support children who study well and overcome difficulties, award scholarships to poor and studious students in Thuan An Town.
- At the end of the year, support for humanitarian organizations to take care of New Year for children, the elderly and disabled people such as Que Huong Humanitarian Center, Provincial Center for the Elderly Support and the Phu Hoa Center for Social Assistance, Vocational Center for handicapped people in Binh Duong province, Association of Victims of Agent Orange. Provincial Blind Association, Ben Cat Blind Association,...

As a result, the Company has supported over VND 1,158 million for social organizations, charitable and humanitarian organizations and was awarded by the provincial People's Committee with certificates of merit for these activities.

Charitable activities in 2018

Date	Content	Amount
03/01/2018	SCHOLARSHIP OF THU DAU MOT LIGHTING YOUTH DREAM 2016-2017- ENTERPRISE UNION OF BINH DUONG PROVINCE – EXECUTIVE BOARD OF THU DAU MOT CITY	25.000.000
15/01/2018	GIVING NEW YEAR'S GIFTS TO POLICY FAMILIES IN 2018 – PEOPLE'S COMMITTEE OF HOA LOI WARD, BEN CAT - BD	20.000.00
16/01/2018	GIVING NEW YEAR'S GIFTS TO POLICY FAMILIES IN 2018 – OFFICE OF PEOPLE'S COUCIL OF BD PROVINCE	30.000.000
23/01/2018	CARING FOR STUDENTS OF CHARITABLE CLASS OF AN PHU WARD	6.000.000
26/01/2018	NEW YEAR'S GIFTS TO UNION MEMBERS WITH DIFFICULT CIRCUMSTANCES – EXECUTIVE BOARD OF ENTERPRISE UNION OF BINH DUONG PROVINCE	5.000.000
26/01/2018	SUPPORTING OF CHILDREN SPONSOR FUND OF BINH DUONG PROVINCE	65.000.000
27/01/2018	ORGANIZATION OF MUSIC PERFORMANCE FOR RAISING FUND FOR POOR CHILDREN WELCOMING NEW YEAR 2018 – CHILDREN'S HOUSE OF BINH DUONG PROVINCE	9.000.000
30/01/2018	NEW YEAR 2018'S GIFTS TO DISADVANTAGED PEOPLE - EXECUTIVE BOARD OF UNION OF THANH PHUOC WARD	10.000.000
31/01/2018	NEW YEAR'S GIFTS TO RESIDENTS OF TAN AN QUARTER 2018 – STONE ENTERPRISE	176.000.000
01/02/2018	NEW YEAR'S GIFTS TO BAU BANG ASSOCIATION OF THE BLIND TO WELCOME NEW YEAR 2018	10.000.000
07/02/2018	NEW YEAR'S GIFTS TO VOCATIONAL CENTER FOR THE DISABLED OF BINH DUONG PROVINCE TO WELCOME NEW YEAR 2018	15.000.000
07/02/2018	EXPENDITURES FOR NEW YEAR 2018 - ASSOCIATION OF THE BLIND OF BINH DUONG PROVINCE	15.000.000
07/02/2018	EXPENDITURES FOR NEW YEAR 2018 - ASSOCIATION OF THE BLIND OF THUAN AN TOWN	10.000.000

Ngày	Chi hỗ trợ	Số tiền
08/02/2018	EXPENDITURES FOR NEW YEAR 2018 – SPONSOR ASSOCIATION OF DISABLED PEOPLE – ORPHANS – POOR PATIENTS OF THU DAU MOT CITY	15.000.000
13/02/2018	NEW YEAR'S GIFTS TO SOCIAL SPONSOR CENTER – DOLISA OF BINH DUONG PROVINCE	80.000.000
13/04/2018	SUPPORTING OF EXECUTIVE BOARD OF ASSOCIATION OF THE ELDERLY OF HOA LOI WARD – BEN CAT TOWN	15.000.000
08/02/2018	NEW YEAR'S GIFTS TO ASSOCIATION OF THE BLIND OF BEN CAT TOWN TO WELCOME NEW YEAR 2018	10.000.000
08/02/2018	NEW YEAR'S GIFTS TO SPONSOR ASSOCIATION OF DISABLED PEOPLE – ORPHANS – POOR PATIENTS OF THUAN AN TOWN TO WELCOME NEW YEAR 2018	15.000.000
09/02/2018	NEW YEAR 2018'S GIFTS TO SPONSOR ASSOCIATION OF DISABLED PEOPLE – ORPHANS – POOR PATIENTS OF BINH DUONG PROVINCE	20.000.000
21/05/2018	REWARDING GOOD STUDENT OF HUNG VUONG SPECIALIZED HIGH SCHOOL – LY HOANG PHUONG	44.500.000
23/05/2018	GIVING SCHOLARSHIP TO POOR STUDENTS OF HUNG DINH WARD – EXECUTIVE BOARD OF ENTERPRISE UNION OF BINH DUONG PROVINCE	10.000.000
30/05/2018	ORGANIZATION OF 35-YEAR ANIVERSARY OF CHILDREN'S HOUSE OF BINH DUONG PROVINCE	10.000.000
01/06/2018	GIVING SCHOLARSHIP TO POOR STUDENTS OVERCOMING DIFFICULTIES – EXECUTIVE BOARD OF UNION OF THU DAU MOT CITY	15.000.000
07/06/2018	SUPPORTING OF ASSOCIATION OF THE ELDERLY OF BINH HOA RESIDENTIAL AREA, LAI THIEU	3.000.000
24/07/2018	GIVING GIFTS TO POLICY FAMILIES OF PEOPLE'S COMMITTEE OF HOA LOI WARD – BEN CAT TOWN	15.000.000
26/07/2018	SUPPORTING OF FAMILY OF EMPLOYEE ON OCCASION OF VIET NAM'S WAR INVALIDS AND MARTYRS DATE JULY 27, 2018 – HO QUE PHUONG	34.000.000
31/07/2018	SUPPORTING OF FUND FOR THE POOR OF LONG NGUYEN COMMUNE	1.000.000
13/08/2018	SUPPORTING OF FAMILIES OF EMPLOYEES ON OCCASION OF VIET NAM'S WAR INVALIDS AND MARTYRS DATE JULY 27, 2018 – HO QUE PHUONG	500.000
14/08/2018	SUPPORTING OF ASSOCIATION OF ASSOCIATION FOR PROMOTING EDUCATION OF THUAN AN TOWN	58.500.000
18/09/2018	EXPENDITURE FOR COMMENDING CHILDREN OF EMPLOYEES WITH GOOD ACHIEVEMENTS IN SCHOOL YEAR OF 2017 - 2018	48.400.000
21/09/2018	SUPPORTING OF CHILDREN SPONSOR FUND OF BINH DUONG PROVINCE	73.500.000
26/09/2018	SUPPORTING OF FAMILIES OF EMPLOYEES ON OCCASION OF INTERNATIONAL ANNIVESARY OF THE ELDERLY – HO QUE PHUONG	44.000.000
28/11/2018	SUPPORTING OF REPRESENTATIVE CONGRESS OF THE DIOXIDE ORANGE VICTIMS OF BINH DUONG PROVINCE – TRANVAN BINH	50.000.000
20/12/2018	SUPPORTING OF FUND FOR THE POOR OF BINH DUONG PROVINCE 2018	200.000.000
TOTAL		1.158.400.000

06

FINANCIAL STATEMENT



FINANCIAL STATEMENTS

CONSTRUCTION INVESTMENT CORPORATION 3-2

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

(Audited)



A member of  International

CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

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CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

REPORT OF THE BOARD OF GENERAL DIRECTORS

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

THE COMPANY

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

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

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

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS

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

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

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

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

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

AUDITORS

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

CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

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

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

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

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

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

Other commitments

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

Binh Duong, 25 January 2019
On behalf of The Board of General Directors
General Director



No.: 250819.002/BCTC.HCM

INDEPENDENT AUDITOR'S REPORT

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

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

The Board of General Directors' responsibility

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

Auditor's responsibility

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

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

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

Auditor's opinion

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

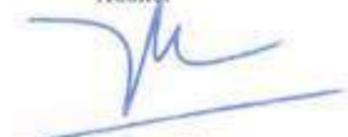
Branch of AASC Auditing Firm Company Limited



Ngô Minh Quý
Certificate of registration to audit practice
No. 2434-2018-002-1

Ho Chi Minh City, 25 March 2019

Auditor



Tran Trung Hieu
Certificate of registration to audit practice
No. 2202-2018-002-1

CONSTRUCTION INVESTMENT CORPORATION 3-2

Financial Statements

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

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

CONSTRUCTION INVESTMENT CORPORATION 3-2

Financial Statements

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(continue)

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

Binh Duong, 25 January 2019

Preparer

Chief Accountant

General Director


Do Viet Cuong


Nguyen Xuan Hieu


Vo Van Lanh

CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An
Town, Binh Duong Province

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

STATEMENT OF INCOME
Year 2018

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

Preparer


Do Viet Cuong

Chief Accountant


Nguyen Xuan Hieu

General Director



CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An
Town, Binh Duong Province

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

STATEMENT OF CASH FLOWS
Year 2018
(Direct method)

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

Preparer


Do Viet Cuong

Chief Accountant


Nguyen Xuan Hieu

General Director



CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town,
Binh Duong Province

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

NOTES TO THE FINANCIAL STATEMENTS

Year 2018

1 . BACKGROUND

Forms of Ownership

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

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

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

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

Business field

Construction and manufacture of construction materials.

Business activities

Main business activity of the Corporation is:

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

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

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

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

CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town,
Binh Duong Province

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

Structure of enterprises

The Company's member entities are as follows:

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

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

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting monetary unit

Annual accounting period commences from 1st January and ends on 31st December.

The Company maintains its accounting records in VND.

2.2 . Accounting Standards and Accounting system

Accounting System

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

Announcement on compliance with Vietnamese standards and accounting system

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

2.3 . Basis for preparation of financial statements

Financial statements are presented based on historical cost principle.

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

2.4 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Value after initial recognition

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

CONSTRUCTION INVESTMENT CORPORATION 3-2
45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town,
Binh Duong Province

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

2.5 . Cash and cash equivalents

Cash includes cash on hand, demand deposits.

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

2.6 . Financial investments

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

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

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

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

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

2.7 . Receivables

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

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

2.8 . Inventories

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

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

Inventory is recorded by perpetual method.

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

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

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

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2.9 . Fixed assets

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

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

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

2.1 . Investment properties

Investment property is recognised at historical cost.

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

2.11 . Cost of construction in progress

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

2.12 . Operating lease

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

2.13 . Prepaid expenses

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

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

2.14 . Account payables

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

2.15 . Loans

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

2.16 . Borrowing costs

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

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2.17 . Accrued expenses

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

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

2.18 . Provision for payables

Provision for payables only record when meet all following conditions:

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

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

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

Provisions for payables are recorded in business and production costs of the accounting period. In case provision set for the previous period but not used up exceeds the one set for the current period, the difference is recorded as decrease in production and operation expenditures. The bigger difference of the payables provision on insuring the construction is recorded into other revenue in the fiscal year. Provision for warranty of construction works is deducted at the rate of 0.15% for civil works and 0.45% for infrastructure works based on the evaluation of the Board of Directors on the rate of repair actual warranty.

2.19 . Owner's equity

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

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

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

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

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

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

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2.20 . Revenue

Sale of goods

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

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

Rendering of services

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

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

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

Revenue from sales of real estate

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

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

Revenue from construction contract

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

Financial income

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

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

2.21 . Cost of goods sold

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

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2.22 . Financial expenses

Items recorded into financial expenses consist of:

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

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

2.23 . Corporate income tax

a) Deferred income tax assets

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

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

b) Current tax expense

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

c) Current corporate income tax rate

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

2.24 . Related parties

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

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

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

2.25 . Earnings per share

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

2.36 . Segment information

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

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

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3 . CASH AND CASH EQUIVALENTS

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

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

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4 - FINANCIAL INVESTMENT

a) Held to maturity investments

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

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

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

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

b) Equity investments in other entities

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

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

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

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

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

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

Name of Company	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Thu Duc-Long An Centrifugal Concrete JSC	Long An Province	24.16%	24.16%	Production, doing concrete components
- Mien Dong Joint Stock Company	Dong Nai Province	28.91%	28.91%	Mining Minerals, Construction
Detail information on the Corporation's Investments in other entities as at 31/12/2018 as follows:				
Name of Company	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Binh Duong Consultant & General Construction JSC	Binh Duong Province	3.91%	3.91%	Management consultant, professional design
- Hoa An Joint Stock Company	Dong Nai Province	8.94%	8.94%	Mining Minerals, Construction

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5 . SHORT-TERM TRADE RECEIVABLES

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

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

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

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

7 . OTHER SHORT-TERM RECEIVABLES

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

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

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

8 . BAD DEBTS

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

9 . INVENTORY

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

(*) Detail of work in process

	31/12/2018	01/01/2018
	VND	VND
Work in process of manufacturing	869,216,378	6,434,518,934
Work in process of construction works	8,989,501,767	24,787,814,378
+ Project of Training center for cadres in finance sector in Ho Chi Minh City	5,293,733,494	9,058,468,907
+ Project Road 8B - Protrade International Industrial Park	-	6,652,122,797
+ Minh Hou Secondary School construction	-	1,951,083,479
+ Tan Dong Hiep Secondary School construction	1,459,136,332	-
+ Others	2,236,631,941	7,126,199,195
	<u>9,858,718,145</u>	<u>31,222,333,312</u>

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10 . CONSTRUCTION IN PROGRESS

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

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

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

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

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

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11 . TANGIBLE FIXED ASSETS

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

Of which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the period: VND 75,771,864,361.

12 . INTANGIBLE FIXED ASSETS

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

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

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13 . INVESTMENT PROPERTIES

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

14 . LONG-TERM PREPAID EXPENSES

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

⁽¹⁾ The value of land use right for performing project Thanh Phuoc Concrete Factory, the transferred land with area of 45,161.7 m² located at Thanh Phuoc Ward, Tan Uyen Commune, Binh Duong Province according to the Certificate of land use right No. CD 621056 dated 15 July 2016. In which, the value of VND 45.161 billion including transfer value and value of land rents in lump-sum is VND 6.216 billion, land use term to 03 June 2066 approved to Decision No. 2583/QĐ-UBND dated 30 September 2016 issued by Binh Duong People's Committee, approved Construction Investment Corporation 3-2 changed from land lease with annual land rental payment to land lease with full one-off land rental payment for the entire lease term.

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

15 . SHORT-TERM TRADE PAYABLES

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

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16 . LOANS

	01/01/2018		During the year		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term loan						
- Bank for Investment and Development of Vietnam JSC - Nam Binh Duong Branch - Overdrafts	24,739,853,787	24,739,853,787	63,539,853,787	88,279,707,574	-	-
- Bank for Investment and Development of Vietnam JSC - Nam Binh Duong Branch ⁽¹⁾	114,877,742,071	114,877,742,071	334,063,597,271	334,886,212,539	114,053,126,803	114,053,126,803
- Current portion of long-term loans Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch ⁽²⁾	7,103,760,000	7,103,760,000	8,378,098,000	7,201,786,000	8,280,072,000	8,280,072,000
	<u>146,721,355,858</u>	<u>146,721,355,858</u>	<u>405,981,549,058</u>	<u>430,369,706,113</u>	<u>122,333,198,803</u>	<u>122,333,198,803</u>
b) Long-term loan						
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch ⁽³⁾	47,098,008,000	47,098,008,000	11,370,990,000	8,378,098,000	50,090,900,000	50,090,900,000
	<u>47,098,008,000</u>	<u>47,098,008,000</u>	<u>11,370,990,000</u>	<u>8,378,098,000</u>	<u>50,090,900,000</u>	<u>50,090,900,000</u>
	(7,103,760,000)	(7,103,760,000)	(8,378,098,000)	(7,201,786,000)	(8,280,072,000)	(8,280,072,000)
	<u>39,994,248,000</u>	<u>39,994,248,000</u>			<u>41,810,828,000</u>	<u>41,810,828,000</u>

Amounts come due within 12 months

Amounts come due after 12 months

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Detail information on short-term loans:

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

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

Detail information on long-term loans:

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

(2.1) Credit Contract No. 16.52.077/2016-HD/D/NHCT/640-CTCP DAU TU XAY DUNG 3-2 dated 20 June 2016 under the following terms are as follows:

- Credit line: VND 8,000,000,000;
- Loan purpose: Investing 6 trucks for operation business;
- Maturity: 60 months;
- Interest rate: 8%/year for the first year, 10.5%/year for the subsequent years;
- Method of security: Mortgaged land use right No.T313585 according mortgage contracts No.09610202/HDTC dated 30 December 2009, the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000;
- The principal balance as at 31/12/2018 is VND 4,010,000,000; amount come due within 12 months is VND 1,596,000,000.

(2.2) Credit Contract No. 16.51.0160/2016-HD/D/NHCT/640-CTCP DAU TU XAY DUNG 3-2 dated 17 October 2016 under the following terms are as follows:

- Credit line: VND 1,698,000,000;
- Loan purpose: Investing 01 container and 01 truck;
- Maturity: 60 months;
- Interest rate: 7.5%/year for the first year, 10.5%/year for the subsequent years;
- Method of security: Mortgaged by assets as follows:
 - + Land use right No.T313585 according mortgage contracts No.09610202/HDTC dated 30 December 2009; the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000.
- The balance of term deposits VND 3.5 billion under Mortgaged Contract No. 16.51.0070/HDTC dated 06 April 2016, the balance of deposit worths VND 8 billions under Mortgaged Contract No. 16.51.0151/HDTC dated 29/06/2016;
- The principal balance as at 31/12/2018 is VND 962,200,000; amounts come due to within 12 months is VND 339,600,000.

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(2.3) Credit Contract No. 16.51.0160/2016-HD/D/NHCT/640-CTCP DAU TU XAY DUNG 3-2 dated 27 December 2016 under the following terms:

- Credit line: VND 8,362,000,000;
- Loan purpose: Investing 2 trucks and 1 automatic welding machine;
- Maturity: 60 months;
- Interest rate: 7.5%/year for the first year, 10.5%/year for the subsequent years;
- Method of security: Mortgaged land use right No.T313585 according Mortgage Contracts No.09610202/HDTC dated 30 December 2009, the value of asset mortgaged under Memorandum of revaluation No. 02/BBDGL dated 19 December 2016 is VND 21,079,000,000;
- The principal balance as at 31/12/2018 is VND 5,017,120,000; amounts come due within 12 months is VND 1,672,440,000;

(2.4) Credit Contract No. 17.510090/2017-HD/CV/DAD/NHCT/640-CTCP DAU TU XAY DUNG 3-2 dated 03 July 2017 under the following terms are as follows:

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

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17 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

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

18 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Tax receivable at beginning of year	Tax payable at beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND
Value added tax	-	2,842,260,961	27,770,697,409	28,571,555,888	-	2,041,402,462
Business income tax	-	6,758,336,733	22,697,238,871	24,569,511,177	-	4,886,064,427
Personal income tax	-	165,993,273	3,403,300,337	3,531,372,735	-	37,920,875
Natural resource tax	947,021,937	-	13,389,792,063	11,599,035,826	-	843,734,300
Property tax and land rental	-	-	1,195,275,100	1,195,275,100	-	-
Environmental protection tax	-	-	78,237,067	78,237,067	-	-
Fees and other obligations	-	11,284,514,097	8,312,249,871	8,449,238,919	-	11,147,525,049
	947,021,937	21,051,105,064	76,846,790,718	77,994,226,712	-	18,956,647,133

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

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19 . SHORT-TERM ACCRUED EXPENSES

	31/12/2018	01/01/2018
	VND	VND
- Construction works	16,747,206,585	7,278,497,534
- Stone quarry environment renovation	4,250,308,734	4,050,632,039
- Land rental	1,026,852,420	-
- Cost of supporting public at Tan Dong Hiep quarry	1,958,204,600	-
- Others	861,560,274	100,000,000
	24,844,132,013	11,429,129,573

20 . OTHER SHORT-TERM PAYABLES

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

21 . SHORT-TERM PROVISION FOR PAYABLES

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

22 - OWNER'S EQUITY
a) Changes in owner's equity

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

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

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

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

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

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

b) Details of owner's invested capital

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

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

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

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

23 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Assets under operating lease

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

b) Doubtful debts written-offs

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

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

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

25 . REVENUE DEDUCTIONS

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

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26 . COSTS OF GOODS SOLD

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

27 . FINANCIAL INCOME

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

28 . FINANCIAL EXPENSES

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

29 . SELLING EXPENSES

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

30 . ADMINISTRATIVE EXPENSES

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

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31 . OTHER INCOME

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

32 . OTHER EXPENSE

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

33 . CURRENT CORPORATE INCOME TAX EXPENSES

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

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34 . DEFERRED INCOME TAX

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

35 . BASIC EARNINGS PER SHARE

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

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

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

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

36 . BUSINESS AND PRODUCTIONS COST BY ITEMS

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

37 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company

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

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

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

Financial risk management

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

Market risk

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

Price Risk

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

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

Interest rate risk

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

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Credit Risk

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

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

Liquidity Risk

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

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

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

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

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38 . OTHER INFORMATION

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

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

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

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

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

39 . EVENTS AFTER THE REPORTING FISCAL YEAR

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

40 . SEGMENT REPORTING

Under business fields:

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

Under geographical areas:

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

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41 . TRANSACTION WITH RELATED PARTIES

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

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

Outstanding balance up to the reporting date as follows:

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

Transactions with other related parties:

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

42 . COMPARATIVE FIGURES

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

Preparer

Do Viet Cuong

Chief Accountant

Nguyen Xuan Hieu

Binh Duong, 25 January 2019

Chief Accountant



Vo Van Lanh



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Binh Duong, April 12, 2019

CONFIRMATION OF LEGAL REPRESENTATIVE

General Director



VO VAN LANH