

**China Construction Bank Corporation -
Ho Chi Minh City Branch**

Financial statements

For the year ended 31 December 2020



China Construction Bank Corporation - Ho Chi Minh City Branch

CONTENTS

	<i>Pages</i>
General information	1
Report of Management	2
Independent auditors' report	3 - 4
Balance sheet	5 - 6
Income statement	7
Cash flow statement	8 - 9
Notes to the financial statements	10 - 51

China Construction Bank Corporation - Ho Chi Minh City Branch

GENERAL INFORMATION

THE BRANCH

China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") is a branch established in Vietnam by China Construction Bank Corporation ("Head Office"), a bank incorporated in China.

The Branch was established pursuant to Banking License No. 271/GP-NHNN dated 10 December 2009 issued by the State Bank of Vietnam ("SBV") and Business Registration No. 4104016066 dated 18 March 2010 issued by Ho Chi Minh City Department of Planning and Investment which was amended for the latest time by certificate No. 0309878015 on 19 August 2016. The Branch started operation on 10 December 2009 with an operation period of 99 years.

The Branch's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of its capital resources; conducting foreign currency transactions; providing international trade finance services; settlement services and other banking services as allowed by the SBV.

The Branch's office is located at Room 1105-1106, 11th Floor and Room 1202, 12th Floor, Sailing Tower, 111A Pasteur Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management and Chief Accountant during the year and at the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Huang Guoyong	General Manager	Appointed on 24 July 2015
Ms. Chen Min	Deputy General Manager	Appointed on 18 July 2018
Mr. Chen Weiyang	Head of Marketing Department	Appointed on 1 February 2020
Mr. Wang Long Fei	Head of Treasury Department	Appointed on 11 October 2016
Mr. Mao JianLi	Head of Risk Management Department	Appointed on 13 August 2019
Ms. Cao Le Bao Chieu	Administration Manager	Appointed on 4 May 2010
Ms. Tran Thi Huong	Head of Legal and Compliance Department	Appointed on 1 July 2017
Ms. Yang Yuan Yuan	Chief Accountant cum Head of Operation Department	Appointed on 3 April 2017
Mr. Luu Cam Hoa	Head of Marketing Department	Resigned on 31 January 2020

LEGAL REPRESENTATIVE

The legal representative of the Branch during the year and at the date of this report is Mr. Huang Guoyong - General Manager.

AUDITORS

The auditors of the Branch are Ernst & Young Vietnam Limited.

China Construction Bank Corporation - Ho Chi Minh City Branch

REPORT OF MANAGEMENT

Management of China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") is pleased to present this report and the financial statements of the Branch for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Branch's management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Branch and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ 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 going concern basis unless it is inappropriate to presume that the Branch will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Branch and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Branch and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Branch as at 31 December 2020 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



M. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

25 March 2021



Ernst & Young Vietnam Limited
20th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 28 3824 5252
Fax: +84 28 3824 5250
ey.com

Reference: 61246289/22219178

INDEPENDENT AUDITORS' REPORT

To: The Owner of China Construction Bank Corporation - Ho Chi Minh City Branch

We have audited the accompanying financial statements of China Construction Bank Corporation - Ho Chi Minh City Branch ("the Branch") as prepared on 25 March 2021 and set out on pages 5 to 51, which comprise the balance sheet as at 31 December 2020, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Branch is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 auditors' 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 Branch's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Branch as at 31 December 2020, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the financial statements.

Other matters

The equivalent amounts in million of Vietnam Dong (VNDm) presented in the accompanying financial statements have been translated on the basis set forth in *Note 2.3* to the financial statements solely for the Branch's internal use and for submission to the relevant authorities in compliance with the current regulations.



Ernst & Young Vietnam Limited

Nguyen Phuong Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2019-004-1



Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

29 March 2021

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET
as at 31 December 2020

B02/TCTD

	Notes	Ending balance		Beginning balance	
		US\$	VNDm equivalent	US\$	VNDm equivalent
ASSETS					
Cash	5	663,672	15,334	457,696	10,605
Balances with the State Bank of Vietnam ("SBV")	6	34,375,806	794,253	18,727,969	433,927
Due from and loans to other credit institutions		94,722,249	2,188,557	154,278,959	3,574,643
Due from other credit institutions	7.1	78,364,270	1,810,606	129,008,765	2,989,133
Loans to other credit institutions	7.2	16,357,979	377,951	25,270,194	585,510
Loans to customers		86,025,640	1,987,623	92,929,553	2,153,178
Loans to customers	8	86,693,861	2,003,062	93,590,468	2,168,491
Provision for credit losses on loans to customers	9	(668,221)	(15,439)	(660,915)	(15,313)
Fixed assets		152,095	3,514	121,966	2,826
Tangible fixed assets	10	89,864	2,076	36,025	835
Cost		1,116,171	25,789	1,097,199	25,422
Accumulated depreciation		(1,026,307)	(23,713)	(1,061,174)	(24,587)
Intangible fixed assets	11	62,231	1,438	85,941	1,991
Cost		158,621	3,665	155,573	3,604
Accumulated amortization		(96,390)	(2,227)	(69,632)	(1,613)
Other assets		451,770	10,438	754,880	17,491
Receivables	12.1	139,654	3,226	132,844	3,078
Interest and fees receivable	12.2	260,725	6,024	591,402	13,703
Other assets	12.3	51,391	1,188	30,634	710
TOTAL ASSETS		216,391,232	4,999,719	267,271,023	6,192,670
LIABILITIES					
Due to and borrowings from other credit institutions	13	54,497,594	1,259,167	140,538,678	3,256,281
Due to other credit institutions		45,841,459	1,059,167	140,538,678	3,256,281
Borrowings from other credit institutions		8,656,135	200,000	-	-
Due to customers	14	94,793,452	2,190,202	57,798,271	1,339,186
Other liabilities		697,822	16,123	3,739,785	86,651
Interest and fees payable	15.1	55,791	1,289	248,662	5,761
Other liabilities	15.2	642,031	14,834	3,491,123	80,890
TOTAL LIABILITIES		149,988,868	3,465,492	202,076,734	4,682,118
OWNER'S EQUITY					
Capital		58,119,359	1,248,250	58,119,359	1,248,250
Reserves		1,702,620	38,629	1,521,409	34,422
Foreign exchange difference		-	97,263	-	101,637
Retained earnings		6,580,385	150,085	5,553,521	126,243
TOTAL OWNER'S EQUITY	17	66,402,364	1,534,227	65,194,289	1,510,552
TOTAL LIABILITIES AND OWNER'S EQUITY		216,391,232	4,999,719	267,271,023	6,192,670

China Construction Bank Corporation - Ho Chi Minh City Branch

BALANCE SHEET (continued)
as at 31 December 2020

B02/TCTD

OFF-BALANCE SHEET ITEMS

Notes	Ending balance		Beginning balance	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Irrevocable loan commitments	8,334,275	192,563	9,343,105	216,480
Letters of credit	9,486,400	219,183	11,174,054	258,903
Other guarantees	8,850,026	204,480	11,500,510	266,467
27	26,670,701	616,226	32,017,669	741,850

Prepared by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller

Reviewed by:



Ms. Yang Yuan Yuan
Chief Accountant

Approved by:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

25 March 2021

China Construction Bank Corporation - Ho Chi Minh City Branch

INCOME STATEMENT
for the year ended 31 December 2020

B03/TCTD

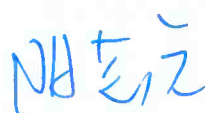
	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Interest and similar income	18	6,419,571	149,050	7,580,227	175,960
Interest and similar expenses	19	(1,909,724)	(44,340)	(2,797,846)	(64,946)
Net interest and similar income		4,509,847	104,710	4,782,381	111,014
Fee and commission income		318,016	7,384	270,207	6,272
Fee and commission expenses		(76,197)	(1,769)	(84,155)	(1,953)
Net fee and commission income	20	241,819	5,615	186,052	4,319
Net gain from trading of foreign currencies	21	545,902	12,675	312,004	7,243
Other operating income		11,405	265	10	-
Other operating expenses		(143,671)	(3,336)	-	-
Net (loss)/gain from other operating activities	22	(132,266)	(3,071)	10	-
TOTAL OPERATING INCOME		5,165,302	119,929	5,280,447	122,576
Personnel expenses		(2,947,232)	(68,429)	(2,688,385)	(62,405)
Depreciation and amortization charges		(36,661)	(851)	(23,406)	(543)
Other operating expenses		(697,045)	(16,184)	(718,002)	(16,668)
TOTAL OPERATING EXPENSES	23	(3,680,938)	(85,464)	(3,429,793)	(79,616)
Net operating profit before provision expense for credit losses		1,484,364	34,465	1,850,654	42,960
Provision expense for credit losses	9	(7,306)	(171)	(87,211)	(2,024)
PROFIT BEFORE TAX		1,477,058	34,294	1,763,443	40,936
Current corporate income tax expense	16	(268,983)	(6,245)	(372,164)	(8,639)
PROFIT AFTER TAX		1,208,075	28,049	1,391,279	32,297

Prepared by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller

Reviewed by:



Ms. Yang Yuan Yuan
Chief Accountant

Approved by:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

25 March 2021

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT
for the year ended 31 December 2020

B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
CASH FLOWS FROM OPERATING ACTIVITIES				
	6,758,795	156,926	7,432,229	172,524
	(2,102,595)	(48,818)	(2,880,153)	(66,857)
	241,819	5,615	186,052	4,319
	545,902	12,675	312,004	7,243
	(143,671)	(3,336)	2	-
	(3,480,211)	(80,804)	(3,321,320)	(77,098)
16	(344,702)	(8,003)	(241,610)	(5,608)
	1,475,337	34,255	1,487,204	34,523
Changes in operating assets				
	8,912,215	206,924	(8,432,189)	(195,736)
	6,896,607	160,125	(20,544,674)	(476,904)
	(27,567)	(640)	(55,222)	(1,282)
Changes in operating liabilities				
	(86,041,084)	(1,997,702)	6,127,029	142,227
	36,995,181	858,954	22,289,201	517,399
	(2,945,986)	(68,400)	3,033,402	70,414
	(34,735,297)	(806,4834)	3,904,751	90,641
CASH FLOWS FROM INVESTING ACTIVITIES				
	(66,790)	(1,551)	(51,561)	(1,197)
	11,405	265	8	-
	(55,385)	(1,286)	(51,553)	(1,197)

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

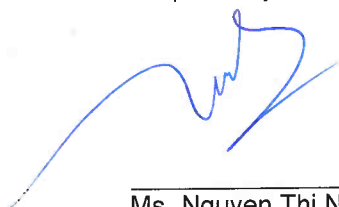
B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Net cash flows during the year	(34,790,682)	(807,770)	3,853,198	89,444
Cash and cash equivalents at the beginning of the year	24 148,194,430	3,433,665	144,341,232	3,348,716
Foreign exchange difference	-	(5,702)	-	(4,495)
Cash and cash equivalents at the end of the year	24 113,403,748	2,620,193	148,194,430	3,433,665

Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Yang Yuan Yuan
Chief Accountant




Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

25 March 2021