

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

Financial statements

For the year ended 31 December 2022



China Construction Bank Corporation - Ho Chi Minh City Branch

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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. 0309878015 dated 18 March 2010 issued by Ho Chi Minh City Department of Planning and Investment which was amended for the latest time on 13 March 2023. 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 11th 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. Tong Youtang	Head of Marketing Department	Appointed on 16 August 2021
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	Head of Administration Department	Appointed on 4 May 2010
Ms. Nguyen Thuy Nha Thu	Head of Legal and Compliance Department	Appointed on 03 October 2022
Ms. Tran Thi Huong	Head of Legal and Compliance Department	Resigned on 15 August 2022
Ms. Yang Yuan Yuan	Head of Operation Department cum Chief Accountant	Appointed on 3 April 2017

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 2022.

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 ensuring 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 2022 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:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

27 March 2023



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

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Reference: 61246289/66962347

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 27 March 2023 and set out on pages 5 to 55, which comprise the Statement of financial position as at 31 December 2022, 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.

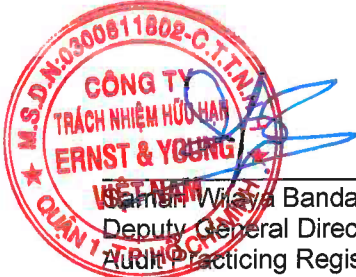
Opinion

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 2022, 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 matter

The equivalent amounts in millions 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



Bandara Wijaya Bandara
Deputy General Director
Audit Practicing Registration
Certificate No. 2036-2023-004-1



Huynh Nhat Hung
Auditor
Audit Practicing Registration
Certificate No. 5040-2019-004-1

Ho Chi Minh City, Vietnam

27 March 2023

China Construction Bank Corporation - Ho Chi Minh City Branch

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

B02/TCTD

	Notes	Ending balance		Beginning balance	
		US\$	VNDm equivalent	US\$	VNDm equivalent
ASSETS					
Cash	5	387,173	9,135	487,275	11,095
Balances with the State Bank of Vietnam ("SBV")	6	27,864,038	657,452	9,970,172	227,021
Due from and loans to other credit institutions		200,029,005	4,719,684	184,892,224	4,209,996
Due from other credit institutions	7.1	138,718,794	3,273,070	114,907,743	2,616,449
Loans to other credit institutions	7.2	61,310,211	1,446,614	69,984,481	1,593,547
Loans to customers		67,247,119	1,586,696	74,330,192	1,692,499
Loans to customers	8	67,905,953	1,602,241	75,108,119	1,710,212
Provision for credit losses on loans to customers	9	(658,834)	(15,545)	(777,927)	(17,713)
Fixed assets		756,426	17,848	714,237	16,264
Tangible fixed assets	10	722,739	17,053	664,066	15,121
Cost		1,767,674	41,708	1,646,814	37,498
Accumulated depreciation		(1,044,935)	(24,655)	(982,748)	(22,377)
Intangible fixed assets	11	33,687	795	50,171	1,143
Cost		172,445	4,069	165,638	3,772
Accumulated amortization		(138,758)	(3,274)	(115,467)	(2,629)
Other assets		1,602,621	37,814	479,581	10,919
Receivables	12.1	156,460	3,692	224,116	5,103
Interest and fees receivable	12.2	1,389,022	32,774	200,551	4,566
Other assets	12.3	57,139	1,348	54,914	1,250
TOTAL ASSETS		297,886,382	7,028,629	270,873,681	6,167,794
LIABILITIES					
Due to and borrowings from other credit institutions	13	107,061,499	2,526,116	91,719,669	2,088,457
Due to other credit institutions		53,788,999	1,269,151	41,719,669	949,957
Borrowings from other credit institutions		53,272,500	1,256,965	50,000,000	1,138,500
Due to customers	14	120,652,028	2,846,785	108,439,799	2,469,174
Other liabilities		1,267,588	29,908	3,949,802	89,937
Interest and fees payable	15.1	220,896	5,212	77,016	1,754
Other liabilities	15.2	1,046,692	24,696	3,872,786	88,183
TOTAL LIABILITIES		228,981,115	5,402,809	204,109,270	4,647,568
OWNER'S EQUITY					
Capital		58,119,359	1,248,250	58,119,359	1,248,250
Reserves		2,078,055	47,488	1,756,927	39,874
Foreign exchange difference		-	129,797	-	74,963
Retained earnings		8,707,853	200,285	6,888,125	157,139
TOTAL OWNER'S EQUITY	17	68,905,267	1,625,820	66,764,411	1,520,226
TOTAL LIABILITIES AND OWNER'S EQUITY		297,886,382	7,028,629	270,873,681	6,167,794

China Construction Bank Corporation - Ho Chi Minh City Branch

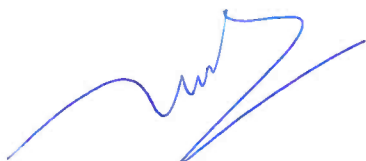
STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

B02/TCTD

OFF-BALANCE SHEET ITEMS

	Notes	Ending balance		Beginning balance	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Contingent liabilities and commitments		32,105,707	757,535	27,430,075	624,583
<i>Irrevocable loan commitments</i>	27	100,259	2,366	3,451,477	78,590
<i>Letters of credit</i>	27	2,464,455	58,149	-	-
<i>Other guarantees</i>	27	29,540,993	697,020	23,978,598	545,993
Interest and fees receivable but not collected yet	28	3,492	82	1,954	44
		32,109,199	757,617	27,432,029	624,627

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

27 March 2023


China Construction Bank Corporation - Ho Chi Minh City Branch

INCOME STATEMENT
for the year ended 31 December 2022

B03/TCTD

	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Interest and similar income	18	7,995,282	188,815	4,570,610	104,768
Interest and similar expenses	19	(1,985,638)	(47,327)	(531,316)	(12,179)
Net interest and similar income		6,009,644	141,488	4,039,294	92,589
Fee and commission income		418,480	9,760	434,465	9,959
Fee and commission expenses		(120,078)	(2,807)	(109,809)	(2,517)
Net fee and commission income	20	298,402	6,953	324,656	7,442
Net gain from trading of foreign currencies	21	787,458	18,543	384,865	8,822
Other operating income		528	12	739	17
Other operating expenses		(23,054)	(571)	(993)	(23)
Net loss from other operating activities	22	(22,526)	(559)	(254)	(6)
TOTAL OPERATING INCOME		7,072,978	166,425	4,748,561	108,847
Personnel expenses		(3,431,695)	(80,403)	(3,322,313)	(76,154)
Depreciation and amortization charges		(105,932)	(2,487)	(45,275)	(1,038)
Other operating expenses		(942,071)	(22,122)	(822,220)	(18,847)
TOTAL OPERATING EXPENSES	23	(4,479,698)	(105,012)	(4,189,808)	(96,039)
Net operating profit before provision expense for credit losses		2,593,280	61,413	558,753	12,808
Provision expense for credit losses	9	119,093	2,846	(109,706)	(2,515)
PROFIT BEFORE TAX		2,712,373	64,259	449,047	10,293
Current corporate income tax expense	16	(571,517)	(13,499)	(87,000)	(1,994)
PROFIT AFTER TAX		2,140,856	50,760	362,047	8,299

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

27 March 2023

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT
for the year ended 31 December 2022

B04/TCTD

<i>Notes</i>	<i>Current year</i>		<i>Previous year</i>	
	<i>US\$</i>	<i>VNDm equivalent</i>	<i>US\$</i>	<i>VNDm equivalent</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest and similar receipts	6,863,116	162,021	4,723,588	108,274
Interest and similar payments	(1,841,758)	(43,869)	(510,091)	(11,692)
Net fee and commission receipts	298,402	6,953	324,656	7,442
Net receipts from trading of foreign currencies	787,458	18,543	384,865	8,822
Receipts from other activities	(23,054)	(571)	(838)	(19)
Payments for operations and salary expenses	(4,333,039)	(101,224)	(4,134,711)	(94,776)
Corporate income tax paid during the year	16 (288,225)	(7,035)	(193,393)	(4,433)
Net cash flows from operating activities before changes in operating assets and liabilities	1,462,900	34,818	594,076	13,618
Changes in operating assets				
Decrease/(increase) in loans to other credit institutions	8,674,270	146,933	(53,626,502)	(1,229,227)
Decrease in loans to customers	7,202,166	107,971	11,585,742	265,568
Decrease/(increase) in other operating assets	60,777	626	(87,985)	(2,017)
Changes in operating liabilities:				
Increase in due to other credit institutions	15,341,830	437,659	37,222,075	853,204
Increase in due to customers	12,212,229	377,611	13,646,347	312,802
(Decrease)/increase in other operating liabilities	(3,198,411)	(72,644)	3,234,522	74,142
Net cash flows from operating activities	41,755,761	1,032,974	12,568,275	288,090
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(151,474)	(3,574)	(607,417)	(13,923)
Proceeds from disposals of fixed assets	528	12	584	13
Net cash flows used in investing activities	(150,946)	(3,562)	(606,833)	(13,910)

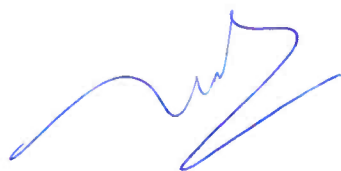
China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2022

B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Net cash flows during the year	41,604,815	1,029,412	11,961,442	274,180
Cash and cash equivalents at the beginning of the year	24 125,365,190	2,854,565	113,403,748	2,620,193
Foreign exchange difference	-	55,680	-	(39,808)
Cash and cash equivalents at the end of the year	24 166,970,005	3,939,657	125,365,190	2,854,565

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

27 March 2023