

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

Financial statements

For the year ended 31 December 2023



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/ re-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 from 16 August 2021 to 31 March 2023; Re-appointed on 1 December 2023
Mr. Zhangpeng	Acting Head of Marketing Department	Appointed from 1 April 2023 to 30 November 2023
Mr. Zhang Zhaojie	Head of Treasury Department	Appointed on 27 July 2023
Mr. Wang Long Fei	Head of Treasury Department	Resigned on 31 March 2023
Mr. Mao JianLi	Head of Risk Management Department	Resigned on 31 March 2023
Mr. Qi Pu	Acting Head of Risk Management Department	Appointed on 1 December 2023
Ms. Cao Le Bao Chieu	Head of Administration Department	Appointed on 4 May 2010
Mr. Nguyen Tuan Anh	Acting Head of Compliance Department	Appointed on 1 October 2023
Ms. Nguyen Thi Nha Thu	Head of Compliance Department	Resigned on 30 September 2023
Ms. Shi Lei	Head of Operation Department cum Chief Accountant	Appointed on 1 August 2023
Ms. Yang Yuan Yuan	Head of Operation Department cum Chief Accountant	Resigned on 21 July 2023

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 2023.

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 2023 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.



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

27 March 2024

Reference: 61246289/67734752

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 2024 and set out on pages 5 to 54, which comprise the Statement of financial position as at 31 December 2023, 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 2023, 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


Vu Tien Dung
Deputy General Director
Audit Practicing Registration
Certificate No. 3221-2020-004-1


Huynh Nhat Hung
Auditor
Audit Practicing Registration
Certificate No. 5040-2024-004-1

Ho Chi Minh City, Vietnam

27 March 2024

China Construction Bank Corporation - Ho Chi Minh City Branch

STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

B02/TCTD

	Notes	Ending balance		Beginning balance	
		US\$	VNDm equivalent	US\$	VNDm equivalent
ASSETS					
Cash	5	249,115	6,035	387,173	9,135
Balances with the State Bank of Vietnam ("SBV")	6	45,278,953	1,096,883	27,864,038	657,452
Due from and loans to other credit institutions		329,903,043	7,991,901	200,029,005	4,719,684
Due from other credit institutions	7.1	220,445,545	5,340,293	138,718,794	3,273,070
Loans to other credit institutions	7.2	109,457,498	2,651,608	61,310,211	1,446,614
Loans to customers		43,560,589	1,055,255	67,247,119	1,586,696
Loans to customers	8	43,958,780	1,064,901	67,905,953	1,602,241
Provision for credit losses on loans to customers	9	(398,191)	(9,646)	(658,834)	(15,545)
Fixed assets		647,106	15,676	756,426	17,848
Tangible fixed assets	10	633,827	15,355	722,739	17,053
Cost		1,548,597	37,515	1,767,674	41,708
Accumulated depreciation		(914,770)	(22,160)	(1,044,935)	(24,655)
Intangible fixed assets	11	13,279	321	33,687	795
Cost		172,445	4,177	172,445	4,069
Accumulated amortization		(159,166)	(3,856)	(138,758)	(3,274)
Other assets		2,095,855	50,772	1,602,621	37,814
Receivables	12.1	139,567	3,381	156,460	3,692
Interest and fees receivable	12.2	1,910,864	46,291	1,389,022	32,774
Other assets	12.3	45,424	1,100	57,139	1,348
TOTAL ASSETS		421,734,661	10,216,522	297,886,382	7,028,629
LIABILITIES					
Due to and borrowings from other credit institutions	13	216,992,013	5,256,631	107,061,499	2,526,116
Due to other credit institutions		183,845,013	4,453,645	53,788,999	1,269,151
Borrowings from other credit institutions		33,147,000	802,986	53,272,500	1,256,965
Due to customers	14	128,312,919	3,108,380	120,652,028	2,846,785
Other liabilities		1,388,531	33,639	1,267,588	29,908
Interest and fees payable	15.1	242,780	5,881	220,896	5,212
Other liabilities	15.2	1,145,751	27,758	1,046,692	24,696
TOTAL LIABILITIES		346,693,463	8,398,650	228,981,115	5,402,809
OWNER'S EQUITY					
Capital		58,119,359	1,248,250	58,119,359	1,248,250
Reserves		2,998,445	69,413	2,078,055	47,488
Foreign exchange difference		-	175,682	-	129,797
Retained earnings		13,923,394	324,527	8,707,853	200,285
TOTAL OWNER'S EQUITY	17	75,041,198	1,817,872	68,905,267	1,625,820
TOTAL LIABILITIES AND OWNER'S EQUITY		421,734,661	10,216,522	297,886,382	7,028,629

China Construction Bank Corporation - Ho Chi Minh City Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2023

B02/TCTD

OFF-BALANCE SHEET ITEMS

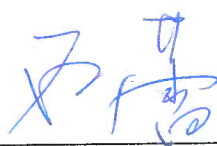
Notes	Ending balance		Beginning balance		
	US\$	VNDm equivalent	US\$	VNDm equivalent	
Contingent liabilities and commitments	27	25,096,686	607,967	32,105,707	757,535
Irrevocable loan commitments		2,999,186	72,655	100,259	2,366
Letters of credit		678,071	16,426	2,464,455	58,149
Other guarantees		21,419,429	518,886	29,540,993	697,020
Interest and fees receivable but not collected yet		1,057	26	3,492	82
		25,097,743	607,993	32,109,199	757,617

Prepared by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller

Reviewed by:



Ms. Shi Lei
Chief Accountant

Approved by:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

27 March 2024

China Construction Bank Corporation - Ho Chi Minh City Branch

INCOME STATEMENT
for the year ended 31 December 2023

B03/TCTD

	Notes	Current year		Previous year	
		US\$	VNDm equivalent	US\$	VNDm equivalent
Interest and similar income	18	13,683,261	326,207	7,995,282	188,815
Interest and similar expenses	19	(3,019,791)	(72,076)	(1,985,638)	(47,327)
Net interest and similar income		10,663,470	254,131	6,009,644	141,488
Fee and commission income		587,383	13,999	418,480	9,760
Fee and commission expenses		(123,210)	(2,934)	(120,078)	(2,807)
Net fee and commission income	20	464,173	11,065	298,402	6,953
Net gain from trading of foreign currencies	21	815,005	19,510	787,458	18,543
Other operating income		385	9	528	12
Other operating expenses		(3,763)	(91)	(23,054)	(571)
Net loss from other operating activities	22	(3,378)	(82)	(22,526)	(559)
TOTAL OPERATING INCOME		11,939,270	284,624	7,072,978	166,425
Personnel expenses		(3,344,282)	(79,822)	(3,431,695)	(80,403)
Depreciation and amortization charges		(113,926)	(2,720)	(105,932)	(2,487)
Other operating expenses		(1,028,804)	(24,575)	(942,071)	(22,122)
TOTAL OPERATING EXPENSES	23	(4,487,012)	(107,117)	(4,479,698)	(105,012)
Net operating profit before provision expense for credit losses		7,452,258	177,507	2,593,280	61,413
Provision expense for credit losses	9	260,643	6,228	119,093	2,846
PROFIT BEFORE TAX		7,191,615	171,279	2,474,187	58,567
Current corporate income tax expense	16	(1,576,970)	(37,568)	(571,517)	(13,499)
PROFIT AFTER TAX		5,614,645	133,711	1,902,670	45,068

Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller



Ms. Shi Lei
Chief Accountant




Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

27 March 2024

China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT
for the year ended 31 December 2023

B04/TCTD

Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
CASH FLOWS FROM OPERATING ACTIVITIES				
	13,055,711	310,230	6,863,116	162,021
	(2,997,907)	(71,407)	(1,841,758)	(43,869)
	464,173	11,065	298,402	6,953
	815,005	19,510	787,458	18,543
	(3,763)	(91)	(23,054)	(571)
	(4,417,743)	(105,582)	(4,333,039)	(101,224)
16	(1,415,815)	(33,620)	(288,225)	(7,035)
	5,499,661	130,105	1,462,900	34,818
Net cash flows from operating activities before changes in operating assets and liabilities				
Changes in operating assets				
	(48,147,287)	(1,204,994)	8,674,270	146,933
	23,947,173	537,340	7,202,166	107,971
	28,608	84	60,777	626
Changes in operating liabilities:				
	109,930,514	2,730,515	15,341,830	437,659
	7,660,891	261,595	12,212,229	377,611
	88,270	2,384	(3,198,411)	(72,644)
	99,007,830	2,457,029	41,755,761	1,032,974
Net cash flows from operating activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
	(4,607)	(112)	(151,474)	(3,574)
	385	9	528	12
	(4,222)	(103)	(150,946)	(3,562)

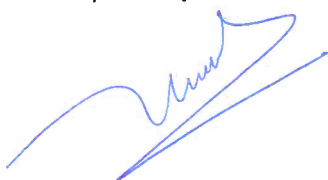
China Construction Bank Corporation - Ho Chi Minh City Branch

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2023

B04/TCTD

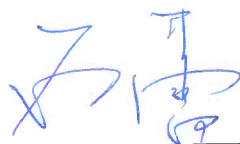
Notes	Current year		Previous year	
	US\$	VNDm equivalent	US\$	VNDm equivalent
Net cash flows during the year	99,003,608	2,456,926	41,604,815	1,029,412
Cash and cash equivalents at the beginning of the year	24 166,970,005	3,939,657	125,365,190	2,854,565
Foreign exchange difference	-	46,628	-	55,680
Cash and cash equivalents at the end of the year	24 265,973,613	6,443,211	166,970,005	3,939,657

Prepared by:



Ms. Nguyen Thi Ngoc Trinh
Financial Controller

Reviewed by:



Ms. Shi Lei
Chief Accountant

Approved by:



Mr. Huang Guoyong
General Manager

Ho Chi Minh City, Vietnam

27 March 2024