



Ho Chi Minh City, March 29, 2019

## REPORT

### BUSINESS PERFORMANCE 2018 AND BUSINESS PLAN 2019

Respectfully addressed to: **Annual General Meeting of CII Bridges and Roads  
Investment Joint Stock Company**

Based on the situation of production and business activities in 2018 of CII Bridges and Roads Investment Joint Stock Company (CII B&R) and affiliated member companies, the Executive Board of CII Bridges and Roads Investment Joint Stock Company reports on the business results of 2018 and proposes the operation plan in 2019 of CII B&R with the following contents:

#### **PART 1. BUSINESS PERFORMANCE 2018**

##### **I. BUSINESS RESULTS**

On Business Performance (consolidated) in 2018: *(Audited figures)*

*(Unit: Million dong)*

Target	Actual 2017	Planned 2018	Actual 2018	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
<b>1. Gross revenue from goods sold and services rendered</b>	<b>556,521</b>	<b>793,517</b>	<b>617,422</b>	<b>110.9%</b>	<b>77.8%</b>
2. Deductions	16,051	15,640	16,872	105.1%	107.9%
3. Net revenue from sales and services	540,470	777,877	600,551	111.1%	77.2%
4. Cost of sales	187,314	266,010	192,996	103.0%	72.6%
<b>5. Gross profit from goods sold and services rendered</b>	<b>353,156</b>	<b>511,867</b>	<b>407,555</b>	<b>115.4%</b>	<b>79.6%</b>
6. Financial income	367,584	125,856	309,774	84.3%	246.1%
7. Financial expenses	279,476	111,834	216,222	77.5%	193.3%
8. Share of profits of associates	4,593	-	(107)	(2.3%)	-
9. Selling expenses	29,504	59,409	30,801	104.4%	51.8%
10. General and administration expenses	136,260	112,258	137,575	101.0%	122.6%



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11. Operating profit	280,093	354,222	332,623	118.8%	93.9%
12. Other incomes	720	-	1,159	161.0%	-
13. Other expenses	1,042	-	1,746	167.6%	-
14. Profit from other activities	(321)	-	(588)	(183.2%)	-
<b>15. Accounting profit before tax</b>	<b>279,772</b>	<b>354,220</b>	<b>332,036</b>	<b>118.7%</b>	<b>93.7%</b>
16. Current CIT expense	51,893	28,860	53,7946	103.7%	186.4%
<b>17. Net profit after tax</b>	<b>227,878</b>	<b>325,360</b>	<b>278,242</b>	<b>122.1%</b>	<b>85.5%</b>
18. Profit attributable to owners of parent	162,374	203,076	185,857	114.5%	91.5%
19. Profit attributable to non-controlling interests	65,504	122,284	92,385	141.0%	75.5%

**1. Total revenue: 911,376 million dong**, equivalent to 99.8% of that in 2017, reaching 100.9% of the target 2018, in which:

- Net revenue from business activities: 600,443 million dong.
- Financial income: 309,774 million dong.
- Other incomes: 1,159 million dong.

**2. Total expense: 633,134 million dong**, equivalent to 92.4% of that in 2017, reaching 109.5% of the target 2018, in which:

- Cost of sales: 192,996 million dong.
- Financial expenses: 216,222 million dong.
- Selling expenses: 30,801 million dong.
- General and administration expenses: 137,575 million dong.
- Other expenses: 1,746 million dong.
- Current CIT expense 53,794 million dong.

**3. Net profit after tax: 278,242 million dong**, equivalent to 122.1% of that in 2017, reaching 85.5% of the target 2018, in which:

- Profit attributable to owners of parent: 185,857 million dong.
- Profit attributable to non-controlling interests: 92,385 million dong.

**II. PERFORMANCE OF INVESTMENT PROJECTS**

**1. Project on Highway No. 1 extension, Ninh Thuan province section:**

1.1. Toll collection results:

Target	Actual 2017	Actual 2018	2018 Plan	Actual 2018 versus actual 2017	Actual 2018 versus planned 2018
1. Revenue from toll (Million dong)	52,142	72,431	68,548	138.9%	105.7%
2. Traffic (Numbers of vehicles)	2,198,862	2,999,540	3,067,919	136.4%	97.8%

### 1.2. Project Implementation Result:

- Completed dossier for the final settlement of the project.
- Worked with the State Audit on the inspection and implementation of the conclusions and recommendations of the State Audit.
- Collaborated with state management agencies to prepare for investment in non-stop automatic toll collection system.
- Coordinated with the agencies of Ninh Thuan province, Ministry of Transport to solve some problems and bottlenecks of the project.
- Perform regular maintenance and ad-hoc repairs to ensure traffic safety on National Highway 1.

### 1.3. Results from implementing 2018 financial targets is as follows:

Target	Actual 2017	Actual 2018	2018 Plan	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
1. Total revenue	83,278	64,627	68,548	77.6%	94.3%
2. Total expense	20,414	29,144	22,380	142.7%	130.2%
3. Earnings before tax	62,864	35,483	46,168	56.4%	76.9%

Unit: million dong

## 2. Project on the extension of the bypass of National Highway No.1 – Phan Rang - Thap Cham, Ninh Thuan section:

### 2.1. Result from toll collection:

Target	Actual 2017	Actual 2018	2018 Plan	Actual 2018 versus actual 2017	Actual 2018 versus planned 2018
1. Revenue from toll (Million dong)	162,197	186,356	156,070	114.9%	119.4%
2. Traffic (Numbers of vehicles)	2,894,263	2,999,540	3,067,919	103.6%	97.8%

2.2. Investment project implementation:

- Settlement (confirmation) of financial parameters with Vietnam Road Administration (revenue, maintenance costs, interest expenses, taxes, ...) in the exploitation stage, determining the value of adjustment of project settlement after the audit country (Minutes of 07/07/2018).
- Signed the Agreement to adjust the name of the competent State Agency, adjust the time to complete the project, adjust additional maintenance terms.
- Coordinated with Vietnam Road Administration to carry out inspection and supervision of Ca Na toll collection station.

2.3. Results from implementing 2018 financial targets is as follows:

Target	Actual 2017	Actual 2018	2018 Plan	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
1. Total revenue	132,567	154,541	156,093	116.6%	99.0%
2. Total expense	71,350	81,986	91,839	114.9%	89.3%
3. Earnings before tax	61,217	72,555	64,254	118.5%	112.9%
UNIT: Million dong					

3. **Sai Gon 2 Bridge project:** Disbursement in 2018 was 271,928,000,000 dong.

4. **BOT project to expand Ha Noi Highway and National Highway No. 1 (from junction of Tram 2 to Tan Van):**

- 4.1. Signed Appendix of Project Contract: Appendix of Contract for adjustment and supplement of the project was signed on July 9, 2018 between Ho Chi Minh City People's Committee and Ho Chi Minh City Infrastructure Investment Joint Stock Company, Hanoi Highway Construction and Investment Joint Stock Company.

#### 4.2. Project implementation progress:

4.2.1. Site clearance: Land clearance was done very slowly, not in line with the construction progress of the project.

- + The section in district 9: In 2018, only 01 section with a length of about 300m was handed over. So far, there are still 30 households and organizations with a length of about 1.2km / 10.3km (within the right hand side paralel road).
- + Section on Thu Duc district: There are still areas that overlap with the construction of the rail project. At present, about 1.5km / 11.7km is still not allowed to receive the ground for construction. About another 1.5 km / 11.7km (passing by rail stations), only the drainage system has been completed, part of the road, then we had to hand over to the rail project; as they are in charge of building the stations.
- + In Binh Duong province: In the year, the locality could not hand over more land. After the Contract Appendix is signed, the unit asked the locality to continue implementing land clearance. However, due to re-applying new prices (2018 compared to the approved price in 2017), the implementation time was extended.

#### 4.2.2. Construction assignment:

- + Acceptance and put into operation and maintenance of bidding package 12A: To upgrade the main road of National Highway 1 about 1,600m long from the scope of construction of new Mien Dong Station to Tan Van intersection.
- + Completion of the investment system of automatic toll collection phase 1 (2 lanes each way).
- + Implementing a number of parallel roads on both sides and at the intersection of Station 2 intersection, the intersection of main gate of HCMC National University.

#### 4.2.3. Other activities:

- + Signed a contract with VETC on non-stop automatic collection service.
- + Worked with the departments of the city to assess the price of road use fees to pay back the first phase of the project.
- + To finish repairing in the toll booth area. Painting and repairing station roof, replacing booth, charging equipment ....

4.3. Results from implementing 2018 financial targets is as follows:

Target	Actual 2017	Actual 2018	2018 Plan	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
1. Total revenue	189,262	200,423	266,250	105.9%	75.3%
2. Total expense	57,451	33,976	122,121	59.1%	27.8%
3. Earnings before tax	131,811	166,447	144,129	126.3%	115.5%
Unit: Million dong					

4.4. Difficulties and constrains:

- The project implementation extends as well as legal documents on PPP investment and construction change over time, so it is very difficult in project management and project cost settlement.
- The project is dependent heavily on the Departments, Branches and localities, with many related administrative procedures.
- The initial toll unit price (2019) is much lower than the toll unit price signed in the Contract Appendix, making it difficult to negotiate the loan extension agreement as well as the total loan value with VietinBank.

**5. DT 741 project (VRG company):**

5.1. Result from toll collection

Target	Actual 2017	Actual 2018	2018 Plan	2018 plan/actual 2017	Comparing actual 2018 versus planned 2018
1. Revenue from toll (Million dong)	150,329	162,553	161,454	108.1%	100.7%
2. Traffic (Numbers of vehicles)	3,762,580	4,169,582	4,041,259	110.8%	103.2%

5.2. Investment project implementation:

- Improvement of old Phuoc Hoa Bridge: Department of Transportation of Binh Duong Province has appraised the basic design adjusted on October 3, 2018 (total investment is estimated at VND **26.6 billion**). The company has signed a contract for survey consultancy, basic design adjustment and design of

construction drawings - cost estimates. The Consultancy unit has conducted geological drilling to serve the design work.

- Investment in additional items: Department of Transport of Binh Duong Province issued a written notice of the results of basic design evaluation of the project of upgrading and expanding DT.741 road, Binh Duong province - the additional investment (with the total investment of: 433,733 million dongs). Currently, the company is considering financial plans and analyzing the project indicators.
- Mid-term work:
  - + Mid-term Maintenance, batch 1: Completed and audited by the independent auditor for the implementation cost.
  - + Mid-term Maintenance, batch 2: Binh Duong Department of Transportation sent their comments on the dossier of BVTC design - estimated cost of construction of DT.741 phase II. The company implemented road marking to ensure traffic safety, and simultaneously handed over the land to deploy repairs.

5.3. Results from implementing 2018 financial targets is as follows:

Target	Actual 2017	Actual 2018	2018 Plan	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
1. Total revenue	136,595	147,917	145,678	108.3%	101.5%
2. Total expense	61,362	59,227	65,407	96.5%	90.6%
3. Earnings before tax	75,233	88,690	80,271	117.9%	110.5%
Unit: million dongs					

**6. Rach Mieu Bridge project:** (Including extension of National Highway No. 60, the section connecting Rach Mieu Bridge with Co Chien Bridge)

6.1. Rach Mieu Bridge project:

6.1.1. Result from toll collection:

Target	Actual 2017	Actual 2018	2018 Plan	2018 plan/actual 2017	Comparing actual 2018 versus planned 2018
1. Revenue from toll (Million dong)	200,480	224,045	192,956	111.8 %	116.1%
2. Traffic (Numbers of vehicles)	5,476,820	6,157,441	4,294,762	112.4%	143.4%

6.1.2. Carried out regular maintenance: Having complied with the plans approved by competent state agencies.

6.1.3. Results from implementing 2018 financial targets is as follows:

Target	Actual 2017	Actual 2018	2018 Plan	Comparing actual 2018 versus actual 2017	Comparing actual 2018 versus planned 2018
1. Total revenue	195,263	208,569	192,956	106.8%	108.1%
2. Total expense	102,389	105,451	100,160	103.0%	105.3%
3. Earnings before tax	92,874	103,118	92,796	111.0%	111.1%

Unit: million dong

6.2. National Highway 60 expansion:

6.2.1. Project Implementation Result:

- + Site clearance: There is still an item of elevating the high-voltage electricity wires in Mo Cay Bac district, and an item of re-enforcing the high-voltage electricity wires in Mo Cay Nam district, which is expected to be completed in February 2019.
- + Signed a contract and implemented 23/24 bidding packages of the project, (8 construction packages and 15 consulting packages and other bidding packages), particularly the package of Consultancy and Auditing investment settlement package are being submitted to the Ministry of Transport for approval of the Investment Plan. Expected to start at the beginning of quarter 2/2019.
- + Construction bidding packages as of December 31, 2018 was about 55% of the contract value.



- + The construction schedule of the project packages is currently about 6.9% slower than planned.

#### 6.2.2. Difficulties and constraints:

- + The technical infrastructure relocation is slower than the plan, which has caused some impacts on construction items.
- + The route is done from greenfield, with difficulties in gathering construction materials into construction sites.
- + The incident of land subsidence on both banks of Hoa Loc River required adjustment to the design of Hoa Loc Bridge until Dec 21, 2018, to assess the adjusted design. This affected the construction progress of the package and project.

#### 7. **Trung Luong – My Thuan Expressway BOT project:**

In addition to the construction work, the project company is having suggestions and recommendations to Competent State to unclog the difficulties and constrains in the implementation.

### III. FINANCIAL RESULTS

- Total long-term loan outstanding of the company as of Dec 31, 2018: 5,877,643 million dong.

In which:

- + Debt to CII Company (investment in Trung Luong - My Thuan project): 848,559 million dong.
- + Capital support (Ha Noi Highway project): 21,584 million dong.
- + Debt to North Thu Thiem Area One Member Company (Ha Noi Highway project): 353,693 million dong.
- + Bonds (Hanoi Highway project): 120,000 million dong.
- + Bank loan: 4,533,807 dong.
- Capital mobilization ensured timely implementation of investment projects: Trung Luong - My Thuan project, NH60 expansion project.
- Complete capital contribution procedures to increase charter capital of Hanoi Highway Company from VND 507.6 billion to VND 1,180 billion.

### IV. OVERALL EVALUATION:

- Administration: Board of Directors approved the Resolution to appoint Mr. Pham The Chinh to be the CEO of the company in place of Mr. Nguyen Van Thanh from April 2, 2018. At the same time the BOD appointed Mr. Francis Gerard Elizaga Aberilla as Deputy CEO in place of Mr. Denn Charly Gonzales Espanola from May 01, 2018.

- The company has tried to implement the business targets set by the general assembly of shareholders. The business results in 2018 showed that total revenue reached 100.9% compared to 2018 plan. The profit after tax only reached 85.5% of 2018 plan due to the record of financial expenses arising from the inclusion of the Hanoi Highway Project and the Co Chien Project into the Company's financial statements.

#### V. DIFFICULTIES AND CONSTRAINS:

- Hanoi Highway Project was slow in operation of toll collection, affecting the company's revenue and profit.
- Credit institutions are tightening regulations on lending to BOT projects under State Bank's direction, making it difficult to access capital for implementing projects; loan interest rate is also likely to increase.
- The mobilization of funds to pay 2017 dividends is difficult because the income from profits of investment projects in 2017 and 2018 is not sufficient to pay 2017 dividends.

### PART 2. BUSINESS PLAN 2019

#### 1. Business plan of the Company in 2019 (Consolidated):

*(Unit: Million dong)*

No.	ITEM	Actual 2018	2019 Plan	2019 Plan / Actual 2018
1	Gross revenue from goods sold and services rendered	617,422	910,937	147.5%
2	Deductions	16,872	40,924	242.6%
3	<b>Net revenue from sales and services</b>	<b>600,551</b>	<b>870,014</b>	<b>144.9%</b>
4	Cost of sales	192,995	325,379	168.6%
5	<b>Gross profit from goods sold and services rendered</b>	<b>407,555</b>	<b>544,634</b>	<b>133.6%</b>
6	Financial income	309,774	221,067	71.4%
7	Financial expenses	216,222	254,131	117.5%
8	Share of profits of associate	(107)	-	-
9	Selling expenses	30,801	63,327	205.6%
10	General and administration expenses	30,200	37,697	124.8%
11	Allotment of business advantage	45,271	4,518	10%
12	Depreciation shares increased	62,104	62,104	100%

13	<b>Operating profit</b>	<b>332,623</b>	<b>343,925</b>	<b>103.4%</b>
14	Other incomes	1,159	384	33.1%
15	Other expenses	1,746	300	17.1%
16	Profit from other activities	(588)	84	(14.3%)
17	<b>Accounting profit before tax</b>	<b>332,036</b>	<b>344,009</b>	<b>103.6%</b>
18	Current CIT expense	53,794	39,253	73%
19	<b>Net profit after tax</b>	<b>278,242</b>	<b>304,756</b>	<b>109.5%</b>
20	Profit attributable to owners of parent	185,857	205,417	110.5%
21	Profit attributable to non-controlling interests	92,385	99,339	107.5%

**1.1. Total revenue: VND 1,091,465 million** (accounting for 113.1% of actual 2018), in which:

- Net revenue from sales and services 870,014 million dong.
- Financial income 221,067 million dong.
- Other incomes 384 million dong.

**1.2. Total expense: VND 786,709 million dong** (accounting for 116.2% of actual 2018), in which:

- Cost of sales: 325,379 million dong.
- Financial expenses: 254,131 million dong.
- Selling expenses: 63,327 million dong.
- General and administration expenses: 37,697 million dong.
- Allotment of business advantage: 4,518 million dong.
- Depreciation shares increased: 62,104 million dong.
- Current CIT expense: 39,253 million dong.
- Other expenses: 300 million dong.

**1.3. Net profit after tax: VND 304,756 million** (accounting for 106.0% of actual 2018), in which:

- Profit attributable to owners of parent: 205,417 million dong.
- Profit attributable to non-controlling interests: 99,339 million dong.

**2. Planned revenue from toll collection of 2019 operating projects:**



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No.	PROJECT NAME	Vehicle traffic		Revenue		2019 plan/actual 2018		Note
		Actual 2018 (vehicle pass)	2019 plan (vehicle pass)	Actual 2018 (million dong)	2019 plan (million dong)	Vehicle traffic	Revenue	
1	Rach Mieu Bridge - Highway 60	6,157,441	6,362,841	224,045	272,239	103.3%	121.5%	
2	Bypass roads project Phan Rang - Thap Cham, Ninh Thuan	2,999,540	3,197,337	186,356	195,674	106.6%	105.0%	
	Expansion of National Highway 1, Ninh Thuan			72,431	76,054			
3	DT741 - Binh Duong	4,169,582	4,583,253	162,553	173,376	109.9%	106.7%	
4	Hanoi highway	-	3,894,275	-	171,348			
5	Co Chien - Highway 60	1,475,397	1,710,775	77,239	87,028	116%	112.7%	
<b>Total</b>		<b>14,801,960</b>	<b>19,748,481</b>	<b>722,624</b>	<b>975,719</b>			

**3. 2019 financial plan of CII B&R and its subsidiaries:**

(Unit: Million dong)

No.	Name of unit	Debt balance at the beginning of 2019		2019 PLAN					
				Arising LOANS and LOAN INTERESTS in 2019		Payment for LOANS and LOAN INTERESTS in 2019		Balance at the end of 2019	
		Loan capital	Loan interest	Loan capital	Loan interest	Loan capital	Loan interest	Loan capital	Loan interest
1	<b>B&amp;R Company</b>	1,214,697	139,469	-	100,293	29,732	34,733	1,184,965	127,650
2	<b>Co Chien Company</b>	639,287	-	13,700	67,855	6,000	67,855	646,987	-
3	<b>Ninh Thuan Joint Stock Company</b>	87,000	-	-	8,500	87,000	8,500	-	-



4	BOT Ninh Thuan Company	1,257,370	10,757	-	112,185	-	112,185	1,257,370	10,757
5	BOT Rach Mieu Company	415,428	3,151	509,313	46,160	72,000	46,160	852,741	3,151
6	VRG Company	84,797	309	35,505	9,028	73,720	9,063	46,582	274
7	Hanoi Highway Company	2,179,064	43,262	896,000	247,550	371,000	219,000	2,704,064	71,812
<b>TOTAL</b>		<b>5,877,643</b>	<b>196,948</b>	<b>1,454,518</b>	<b>591,571</b>	<b>639,452</b>	<b>497,496</b>	<b>6,692,709</b>	<b>291,022</b>

**4. Cash flow plan of CII B&R in 2019 is as follows:**

No.	Item	2019			
		Q1	Q2	Q3	Q4
<b>I</b>	<b>Cash inflows</b>	<b>631,487</b>	<b>90,351</b>	<b>85,136</b>	<b>87,038</b>
1	Proceeds from projects	32,029	13,717	8,468	20,671
2	Additional investment for BOT Highway 1 project in Ninh Thuan province	-	-	-	(10,337)
3	Proceeds from other investments	522,858	-	-	-
4	Interest from lending activities	1,300	1,334	1,368	1,404
<b>5</b>	<b>Capital mobilized from shareholders</b>	<b>75,300</b>	<b>75,300</b>	<b>75,300</b>	<b>75,300</b>
<b>II</b>	<b>Cash outflows</b>	<b>648,993</b>	<b>95,792</b>	<b>93,648</b>	<b>96,647</b>
1	Investment	608,748	75,300	75,300	75,300
2	Pay back loan	27,244	7,757	5,797	8,934
3	Pay back loan interest	8,876	8,610	8,426	8,288
4	Pay dividend	-	-	-	-
5	Operating costs	4,125	4,125	4,125	4,125
<b>III</b>	<b>Net cash flow</b>	<b>(17,506)</b>	<b>(5,441)</b>	<b>(8,512)</b>	<b>(9,609)</b>
<b>IV</b>	<b>Opening Cash Balance</b>	<b>53,489</b>	<b>35,983</b>	<b>30,542</b>	<b>22,030</b>
<b>V</b>	<b>Ending Cash Balance</b>	<b>35,983</b>	<b>30,542</b>	<b>22,030</b>	<b>12,421</b>

Unit: million dong

## II. PLAN FOR INVESTMENT PROJECTS

### 1. Project on Highway No. 1 extension, Ninh Thuan province section:

#### 1.1. Project Implementation Plan:

- Carrying out regular maintenance work on a regular basis. The estimated cost of maintenance is about 8.3 billion. The specific maintenance plan will be approved in detail in the first quarter of 2019 by Directorate for Roads of Vietnam.
- Reaching an agreement on the settlement of investment with the Ministry of Transport.
- Implementing automatic non-stop electronic toll collection.

#### 1.2. Results from implementing 2019 financial targets is as follows:

No.	ITEM	Actual 2018	Planned 2019	Comparing planned 2019/actual 2018
1	Total revenue (divided from the expansion of Phan Rang - Thap Cham, Ninh Thuan bypass road)	64,627	68,249	105.6%
2	Total expense	29,144	38,681	132.7%
3	Gross profit before tax	35,483	29,569	83.3%

Unit: million dong

#### 1.3. Difficulties and constrains:

- Up to this moment, there's still not yet an agreement upon all investment costs of the Project with the Ministry of Transport, since the Ministry of Transport has not yet provided detailed guidance on the implementation of loan settlement during construction and other norms in the project implementation process.
- The recovering of payment by SAV of the Resettlement Projects organized by Ninh Thuan Provincial People's Committee is still slow and difficult. Because People's Committee of Ninh Thuan province has not yet implemented the conclusions of SAV.
- There is still not a resolution on appraisal and compensation for affected households whose houses were cracked up during the construction process.
- There were some disorderly conducts at Ca Na toll booth.
- It is difficult to increase toll prices according to roadmap in the BOT contract, which may affect the project's financial model.

## 2. Project on the extension of the bypass of National Highway No.1 – Phan Rang - Thap Cham, Ninh Thuan section:

### 2.1. Implementation plan for management and exploitation:

- Carrying out regular maintenance in 2019: The estimated cost of implementation is about 1,400 million.
- Unexpected repair work: The estimated cost is about 9,100 million. In which:
  - + Unexpected repair of the expanded joints of 04 bridges under the project of expanding National Highway 1 bypass road section through Phan Rang - Thap Cham City, Ninh Thuan Province: The dossier of technical and economic reports was agreed by the Directorate for Roads of Viet Nam, and approved by the project enterprise with a cost of VND 6,400 million. After the budget was approved, payment for the package of consultancy and survey of technical and economic reports is VND 300 million, the remaining packages will be implemented in 2019 (the cost to be transferred to 2019 is VND 6,100 million).
  - + Other unexpected repairs: The estimated cost of 2019 is about 3,000 million.
- Mid-term repair of the project: After signing the Contract Appendix of the project. Submitting to competent state agencies to agree on funding and perform mid-term repair work (renovation) in the first quarter of 2019. The estimated cost of implementation is about 12,082 million.

### 2.2. Results from implementing 2019 financial targets is as follows:

No.	Target	Actual 2018	Planned 2019	Comparing planned 2019/actual 2018
1	Total revenue	154,541	161,285	104.4%
2	Total expense	77,945	98,450	126.3%
3	Earnings before tax	76,596	62,835	82%

Unit: million dong

*\* The cost in 2019 increases because of repair of the 4-bridge expanded joints and unexpected repairs.*

## 3. Hanoi highway extension project:

### 3.1 Investment project implementation plan:

- Completing the investment in the automatic non-stop electronic road toll collection system at the Hanoi highway toll booth, 04 lanes in each direction.

- Completing the full intersection items at the main gate of National University of HCM City and the parallel road on both sides of the section through Tram 2 intersection.
- Constructing the section in Binh Duong province and the road sections parallel to both sides that are still facing site clearance problems (when the site was handed over).
- Working with the city's authorities to settle the first phase of the project (the main road of Hanoi Highway from Saigon Bridge to the intersection at the National University).
- Expected disbursement plan for 2019 is as follows:

No.	Content	2019 Plan (Unit: million VND)
1	Construction costs	185,000
2	Cost of consulting, management and other costs	12,000
3	Maintenance costs	23,000
4	Site clearance costs	900,000
<b>TOTAL</b>		<b>1,120,000</b>

3.2 Other activities:

- Working with VietinBank to extend and adjust the credit loan agreement for the project.
- Managing toll collection service units and working with local authorities to ensure smooth collection.
- Preparing and submitting to the city's authority for approval of maintenance cost of the automatic non-stop electronic toll collection system.
- Working with SAV to audit construction activities, the management and use of investment capital.

3.3. Results from implementing 2019 financial targets is as follows:

No.	Target	Actual 2018	Planned 2019	Comparing actual 2019 versus actual 2018
1	Total revenue	200,423	302,999	151.2%
2	Total expense	33,976	134,532	396%
3	Earnings before tax	166,447	168,467	101.2%
UNIT: million dong				



*\* Note:*

- + *Revenue and expense in 2019 increase because of the project being put into operation and fee collection.*
- + *The profit in 2019 decreases because the expected time of fee collection (the end of Q2/2019) will be later than that date in the original plan (January 1, 2019).*

3.4. Difficulties and constrains:

- The project implementation extends as well as legal documents on PPP investment and construction change over time, so it is very difficult in project management and project cost settlement.
- The project is dependent heavily on the Departments, Branches and localities, with many related administrative procedures.
- The initial toll unit price (2019) is much lower than the toll unit price signed in the Contract Appendix, making it difficult to negotiate the loan extension agreement as well as the total loan value with VietinBank.

4. DT 741 project:

4.1. Investment project implementation plan:

- Construction of the project's remaining items (the road): **After site clearance, the implementation will start, the value is about 7.6 billion. Disbursement is expected in quarter 2/2019.**
- Upgrading the old Phuoc Hoa bridge (an item that has not yet been invested of the project): **Total investment is expected to be 26.6 billion dong (disbursement is expected in the first quarter of 2019: VND 15 billion; Q2 2019: 11.6 billion dong).**
- Investment in additional items: **Total investment: 433.7 billion dong; Expected disbursement in 2019 is about 100 billion dong (in which capital from equity is 35%: VND 35 billion and loan of VND 65 billion).**
- Investment in upgrading automatic toll collection system: **Expected to be implemented in Q2/2019. Total estimated budget: 20 billion dong;**
- Project management and exploitation: **The implementation value of 2019 plan is expected to be about VND 6.6 billion.**
- Mid-term work: **According to 2019 financial model, the expected value of implementation is 32 billion dong;**

4.2. Results from implementing 2019 financial targets is as follows:

No.	Target	Actual 2018	Planned 2019	Comparing planned 2019/actual 2018
1	Total revenue	147,917	157,615	106.6%
2	Total expense	59,227	74,287	125.4%
3	Earnings before tax	88,690	83,328	94.0%
UNIT: million dongs				

*\* The costs in 2019 increase and profit in 2019 decreases due to the implementation of mid-term work second phase: regular maintenance, and investment in automatic toll collection system in 2019.*

#### 4.3. Difficulties and constrains:

- The work of site clearance (06 locations remained) on the route has not been implemented because the households that have received compensation re-appealed, the local authority has not offered a solution.
- Mid-term work and regular maintenance of the project: The budget of maintenance and repair work under the financial model in BOT contract is low and unable to meet the actual needs of maintenance work. Regular maintenance costs of lighting and traffic signals on DT741 road have not been included in the financial model of the signed BOT contract (due to additional investment); electric lighting costs on the route have not been clearly accounted in the contract (this cost is an exploitation cost).
- Sewer infrastructure on the route has not met the speed of urbanization along the route, causing flood at various points, making it difficult for maintenance work.

### 5. Rach Mieu Bridge Project (including extension of National Highway No. 60, connecting Rach Mieu Bridge with Co Chien Bridge):

#### 5.1. Rach Mieu Bridge project:

##### 5.1.1. Investment project implementation plan:

- + Regular maintenance. The estimated cost of maintenance is about 5.5 billion. Include the following items: Bridge; Road (Road and the road section leading to the bridge); Grass and trees; Lighting and some outsourced items.
- + Partial and full maintenance: The estimated cost of maintenance is about 8.6 billion.

##### 5.1.2 Plan for implementing 2019 financial targets of Rach Mieu BOT is as follows:

No.	Target	Actual 2018	Planned 2019	Comparing planned 2019/actual 2018
1	Total revenue	208,569	247,990	118.9%
2	Total expense	105,451	138,224	131.1%
3	Gross profit before tax	103,404	109,766	106.5%

UNIT: million dong

## 5.2. Implementation plan of HW60 expansion project:

- At the moment, the construction progress is about 6 month slower than the contract. Therefore, the investors and the project enterprise will continue to drastically direct the contractors to work overtime, gather more equipment and materials to speed up the progress, to compensate for the delayed volume, ensuring the completion of project items under the direction of the Ministry of Transport.
- Working with SAV to audit construction activities, the management and use of investment capital.

## 5.3. Difficulties and constrains:

### 5.3.1. Rach Mieu Bridge Project (Phase 1):

- + The project comes to mid-term work. According to the financial model, the cost of mid-term work has not yet clearly demonstrated the source of finance for mid-term work (calculated into toll collection or deducted from income of the 3 preferential year of Investors).
- + At present, investor's capital preservation cost is 4.8% / year during the construction period (about 11 billion VND), about 38 billion VND during the exploitation period, SAV announced that MOT concludes to assign this amount to investors is ungrounded.
- + During the recent exploitation, traffic congestion on Rach Mieu Bridge is increasing, especially during Tet holidays but there is still no solution yet. During traffic congestion, the company must stop toll collection, the time and frequency of stopping toll collection are increasing, which greatly affects the revenue from toll collection and profits of investors.
- + Investing in the National Highway 60 project (construction package No. 1) with relocation and supplementing light bulbs for lighting system made the lighting cost soar (estimated at VND 40 million / month). There is no source to compensate for this.

### 5.3.2. Expansion of 04 sections on NH 60 project:

- + Currently, the project progress is 6 month slower than that of the original contract; therefore, the date of toll collection has to be

rescheduled by 6 months, investor's profit also lost 6 months of collection, which is estimated at:  $350,441 \text{ million} \times 11.5\% / \text{year} / 2 = \text{VND } 20,202 \text{ million}$ .

- + The loan interest rate of the Project (10.4%) is higher than the interest rate specified in Circular 55/2016 / TT-BTC of  $1.3 \times 10\text{-year}$  government bond interest rate = 5.42% / year. Currently, the Ministry of Finance issued Circular No. 88/2018 / TT-BTC to replace Circular 55/2016 / TT-BTC. The company is preparing proposal to the Ministry of Transport and the Ministry of Finance to have Circular No. 88/2018 / TT-BTC applied.
- + Arising amount: The project generates a number of items: Adding drainage system, adjusting Hoa Loc 2 bridge design and some other items, the value of arising items is about 31.65 billion VND. In which: Construction package No.1: 8 billion dong; Construction package No.6 VND 5 billion; Hoa Loc Bridge 2: 18.65 billion dong;

## 6. Co Chien Bridge project:

### 6.1 Investment project implementation plan:

- Completing the procedures of receiving transferred contributed capital (accounting for 51% of the charter capital of Co Chien Investment Company Limited) from Tuan Loc Construction Investment Joint Stock Company.
- The plan to carry out mid-term work and regular maintenance with the estimated cost of VND 1,006 million includes the following items:
  - + Maintenance of Co Chien bridge - Component 1 project.
  - + Maintenance of 4 bridges under the component project (Tan Dien, Dua Do, Rach Dua, TW Doan).
- Implementation plan of mid-term work, overhaul and unexpected repair: Mid-term work of Co Chien bridge - Component 1 project with an estimated cost of VND 752.8 million.

### 6.2 Implementation plan of 2019 financial targets:

No.	Target	Actual 2018	Planned 2019	Comparing planned 2019/actual 2018
1	Total revenue	69,445	79,116	113.9%
2	Total expense	132,804	79,116	59.6%
3	Gross profit before tax	(63,358)	-	-

UNIT: million dong

#### **7. Trung Luong – My Thuan Expressway BOT project:**

- Organizing the project handover between MOT, Tien Giang Provincial People's Committee and Project Company;
- Project company develops the overall progress and implementation **solutions** (update material prices according to local prices at the present time, **update** the costs due to changing in basic design and construction **solutions...**) agreed with Tien Giang Provincial People's Committee and Ministry of Transport, reporting to the Prime Minister to commit to **speeding up**, ensuring quality, efficiency, safety and opening at the end of 2020.

### **III. FINANCIAL ACTIVITIES**

- Strengthening the capacity of Finance - Accounting Department to be more independent and proactive in all financial activities under BOD's guidelines.
- Managing and closely monitoring the financial situation of affiliated project enterprises, especially paying attention to the internal cash flow situations that need approval of the BOD.
- Developing 5-year cash flow plan (from 2019 to 2023).
- Ensuring the mobilization of capital for implementation of investment projects: HW60 expansion project; DT741 project and other projects.
- Completing restructuring the loan of Co Chien Bridge project to **reduce the** pressure of interest payment.
- Restructuring cash flow of Ninh Thuan 1 and 2 projects to **create stable** revenue for the Company.
- Mobilizing money to make payment of dividends in 2017 to **shareholders** according to the Resolution of the Annual General Meeting

### **IV. PROJECT MANAGEMENT AND SUPERVISION**

- Developing human resources for Project Management and **Development** Department aiming at proactiveness and independence in **investment** activities and project management according to BOD's guidelines.
- Organizing and supervising the member units in the **planning and** implementing of maintenance management (regular maintenance, **periodic** repair, unexpected repair, ...).
- Monitoring and urging member companies to make **periodical or** extraordinary reports on the situation of management, road **maintenance**, traffic accident report, toll collection report, vehicle traffic report, etc. to submit to competent State agencies in accordance to regulation.
- Working closely with project enterprises to take measures to **accelerate the** implementation of projects: The Trung Luong - My Thuan **BOT project**, NH60 expansion project, Hanoi Highway expansion project.
- To complete necessary procedures to put Hanoi toll station into **operation**.



## V. ORGANIZATIONAL STRUCTURE CONSOLIDATION AND MANAGEMENT CAPACITY BUILDING

- Building and perfecting the organizational structure of Project Development Management Department and Finance - Accounting Department of CII B&R to take the lead in all activities under the direction of the BOD.
- Revising and rebuilding internal regulations: Regulations on operation of the Board of Directors, Financial Regulations and other regulations shall be submitted to the BOD for approval.
- Respectfully submit to the Board of Directors to approve establishing the Supervisory and Post-Inspection Department for toll collection activities for all projects of the company.

## VI. DIFFICULTIES AND CONSTRAINS:

- According to the five-year cash flow plan (2019-2023), it's difficult to pay dividend for 2018, 2019 and 2020 because income from the investment projects is not enough to pay.
- The 2019 toll price increase plan under the BOT contract for operating projects such as: The Rach Mieu Bridge project, the BOT project of NH1 expansion sections through Ninh Thuan province and the Co Chien bridge project are difficult to implement because of many changes in the State's policies.
- Currently, credit institutions are tightening regulations on lending to BOT projects under State Bank's direction, making it difficult to access capital for implementing projects; loan interest rate is also likely to increase next year.

## VII. SUGGESTIONS AND RECOMMENDATIONS:

Currently, revenue from the investment projects of 2017 and 2018 is not enough to pay 2017 dividends, so the dividend payment for 2017 has not been carried out as specified in the Resolution of the Annual General Meeting of Shareholders 2017. Proposing the BOD to advise on the dividend payment for 2018, 2019.

**GENERAL DIRECTOR**  
  
**PHAM THE CHINH**

*HCMC April 08, 2019*

-----  
**BOD**

## **REPORT ON BOD ACTIVITIES IN 2018**

### **I. BOD'S EVALUATION ON THE OPERATION OF THE COMPANY**

2018 was a difficult year for the company when the Hanoi Highway project was not allowed to continue toll collection by the competent State agency. However, the Company tried to actively perform specific tasks as follows:

- The company managed effectively for projects and implemented new investment projects well for the following: Trung Luong - My Thuan Highway; The project on National Highway 60 extension, connecting Rach Mieu bridge with Co Chien bridge and others.
- The Board of Management has implemented the resolutions of the AGM and the Board of Directors.
- The company has strived to achieve the targets set by the AGM, specifically the results of production and business in 2018 total turnover reached 100.9% and profit after tax was 85.5%, exceeding the 2018 target.

### **II. BOD EVALUATION ON THE OPERATION OF THE MANAGEMENT:**

- In management and administration, the Management Board properly implemented the functions and tasks prescribed in the Charter and strictly implemented the Resolutions of the AGM and the Board of Directors. Frequently proposing, advising the BOD in important decisions, enabling the supervision of the board to be more precise.

- Effectively supervising and managing the ongoing projects in member companies, joint ventures and associates to help the project enterprises operate stably.
- Performing the direction of the Board of Directors on strengthening the management apparatus, improving the efficiency of the Company.

### **III. RESULTS OF PERFORMANCE OF THE BOARD OF DIRECTORS IN 2018:**

In 2018, the Board held meetings and demanded written consultation on 05 resolutions on the following groups of issues:

1. Organization, personnel and management: BOD decided on the following key issues
  - Approving the Resolution to appoint Mr. Pham The Chinh as CEO, in place of Mr. Nguyen Van Thanh from April 2, 2018.
  - At the same time appointing Mr. Francis Gerard Elizaga Aberilla as Deputy CEO in place of Mr. Denn Charly Gonzales Espanola.
  - Adopted the business Result in 2018 and business plan for 2019.
  - Approving plan for holding the AGM in 2018.
2. Regarding Finance: BOD decided on the following key issues
  - Approving loan limit at BIDV Bank - Sai Gon West Branch to supplement working capital and issue guarantee in 2018-2019 (50 billion).
  - Completing capital contribution procedures to increase charter capital of Hanoi Highway Company from VND 507.6 billion to VND 850 billion.
  - Completing capital contribution procedures to increase charter capital of Hanoi Highway Company from VND 850 billion to VND 1,180 billion.



In general, in 2018, the Board held meetings in accordance with regulations. The meetings timely and effectively steered the company's activities to fully implement the resolution of the AGM.

#### **IV. BOD 2019 OPERATION PLAN:**

In 2019, BOD will focus on the following main activities:

- Organizing Annual General Meeting of Shareholders for 2018 fiscal year;
- Directing the implementation of the business plan in 2019, especially pushing the pace and implementation of new investment projects in 2019.
- Directing the long-term development plan of the Company;
- Continuing to supervise the General Director and members of the Management Board, production and business activities of their subsidiaries.
- Directing the consolidation of the management apparatus to improve the efficiency of the management and operation.

We hope to receive comments, support and companion of shareholders for BOD future activities.

**ON BEHALF OF BOD**

**CHAIRMAN**



**LE VU HOANG**

*HCM City, April 08, 2019*



**CII REPORT ON 2018 BOS ACTIVITIES**

Pursuant to the authority and duties of the Board of Supervisors (BOS) as stipulated in the Enterprise Law of 2014 and the Charter of CII Bridges and Roads Investment Corporation (CII B&R);

BOS reports to the 2018 Annual General Meeting on the following BOS activities:

**1. On structure:**

**1.1 Personnel**

BOS of CII B&R in 2018 had 3 members elected by 2018 AGM; including:

- Mr. Tran Ngoc Tien                    Head
- Ms. Pham Thi Thanh Phuong       Member
- Ms. Duong Thi Long Nghi         Member

3/3 of whom hold professional qualifications in finance and **accounting**; with one member obtaining an MBA.

Members operated on a non-exclusive basis.

**1.2. On remuneration of BOS in 2018:**

- Based on the Resolution of the 2018 AGM, the remuneration for BOD and BOS was calculated as 0.5% of the after tax profit.
- Other expenses for BOS: None.

**2. On BOS activities:**

BOS has one member, Pham Thi Thanh Phuong, in charge of overseeing the Company's capital, and responsible for overseeing the Company's financial situation. Therefore BOS' supervision of financial activities was done in a smooth way.

Because all members are doing two jobs, 2/3 of the members were not constantly present, so BOS exchanged information via telephone and email. In case of need, BOS worked with related departments to check and collect documents.

BOS talked with the Management Board about information related to the company's operation, promptly remedied and corrected some issues.

During the year, BOS conducted the following activities:

- Electing the BOS Head for 2018-2023; assigning tasks to BOS members.
- Developing the BOS Working Plan for 2018;
- Inspecting and reviewing the Company's operation and business results and financial statements by semi-annual basis in 2018;
- Checking that the disclosure of the Company's information was thorough, honest and in compliance with the law;
- Participating and commenting on some BOD meetings.
- Supervising the order and procedures for holding the AGM in 2018.
- Collecting information and making reports to the AGM 2019.
- Attending the Ministry of Finance training course on internal control.

There were 4 BOS meetings throughout the year:

- On April 23, 2018, on electing the BOS Head.
- On May 4, 2018 on assignments 2018 working plan.
- On September 07, 2018 on CII B&R operation for the first half of 2018; on quarterly and biannual settlement reports audited by independent auditors and evaluated by the BOS member in charge of finance.
- On April 04, 2019 on CII B&R 2018 performance, and on preparation for 2018 AGM.

In addition, BOS members exchanged and updated each other on CII B&R's performance, thereby introducing recommendations to the BOD and BOM.

### **3. On supervision of BOD and BOM activities**

- During the year, BOS participated some BOD meetings (to which BOS was invited), and with monitoring and supervising BOD and BOM activities through the minutes, resolutions and reports, the BOS found that BOD and BOM activities were in compliance with the Law on Enterprises and Company Charter as approved by the AGM.
- BOD, which consists of a number of members from overseas, still ensures good management. BOD Meetings are organized in accordance with regulations.
- Major events, BOD resolutions, annual reports, management reports, quarterly financial reports of the Company, transaction of information disclosure

subjects etc., are public on HOSE website and the mass media. The financial statements of the company are audited by the independent auditing company before being announced.

- The BOD and the BOM created conditions for the BOS to collect information and documents related to production and business activities of the Company upon request.
- During the year, the BOS did not receive any complaints about the activities of the Board of Directors and the Board of Management.

#### 4. Regarding the appraisal of financial statements of the Company

During the year, the BOS grasped the situation through the regular financial supervision of its members in charge as well as through the accounting department and independent audit. Every 6 months, BOS reviews the checks CII B&R financial statements.

BOS checked and agreed in principle with 2018 financial report by CII Bridges and Roads Investment Joint Stock Company, audited by CPA Vietnam "The consolidated financial statements reflects a true and fair view of the financial position of the Company as of December 31, 2018 and the results of its operations and cash flows for the fiscal year ending on the same day in accordance with Vietnamese accounting standards, accounting system and other legal regulations relating to the preparation and presentation of Consolidated Financial Statements. "

The baseline data on 2018 (consolidated) business operations are as follows:

*UNIT Billion VND*

No.	Content	Actual 2018	2018 AGM plan	Percentage
1	Total revenue	911.48	919.37	99.14%
2	Total expense	579.45	565.15	102.53%
3	Profit after tax	278.24	325.36	85.52%
4	Dividends (2017)	0	12%	0

- Dividend payout for 2017 (12%), according to the Resolution of 2018 AGM, has not been implemented yet.

- The distribution of after-tax profit in 2018 will be decided by 2019 AGM based on BOD proposal.

**\* Recipients:**

- AGM;
- BOD
- Archived at BOS

**FOR BOS**  
**CHIEF COMMISSIONER**  
(Signed)

*Tran Ngoc Tien*

*Ho Chi Minh City, April 11, 2019*

No: 01./TT-DHĐCĐ-CIIBR

## **PROPOSAL**

*Regarding the Profit Distribution Project for 2018  
And the Profit Distribution Plan for 2019*

**To: Annual General Meeting of CII Bridges and Roads Investment  
Joint Stock Company.**

- Pursuant to the Charter of CII Bridges and Roads Investment Joint Stock Company (CIIB&R).
- Pursuant to the Resolution No.01/NQ-ĐHĐCĐ/2018 dated on April 23<sup>rd</sup>, 2018 of CIIB&R's 2018 Annual General Meeting.
- Pursuant to the 2018 Business result and 2019 Business plan.
- Based on the company's financial and the cash flow plan for 2019.

Currently, the projects of CII B&R are collecting capital recovery fees to concentrate all the money to pay the loan and interest according to the schedule of the signed credit agreement. The revenues from projects after completing tax and bank obligations (interest and principal payment) are no longer sufficient to pay profits to investors as stipulated in the project contract.

The Board of Director of CII B&R would like to propose that General Shareholders' Meeting to approve the profit distribution project for 2018 and the profit distribution plan for 2019, with details as follows:

### **1. The profit distribution project for 2018:**

1.1. Agree to set the Funds and pay the remuneration of the Board of Directors and the Supervisory of Board based on the after-tax profit of 2018 of the parent company (215,868,221,707 VND) as following details:

- |  |                    |
|--|--------------------|
| - Provision for Reserve fund for charter capital (5%): | 10,793,411,085 VND |
| - Bonus and welfare fund (0.5%) :                      | 1,079,341,109 VND  |
| - Remuneration for BOD and BOS (0.5%):                 | 1,079,341,109 VND  |

1.2. Regarding dividend payment for 2018: Temporarily not paying dividends in cash for 2018, the profit of 2018 will be accumulated and divided in the following years after the revenue from the projects according to the cash flow plan.

## 2. The profit distribution plan for 2019:

Pursuant to 2019 Business plan, respectfully submit to the General Shareholders' Meeting to approve the profit distribution plan for 2019 as follows:

- Provision for Reserve fund for Chartered Capital: 5% of profit after tax
- Bonus and welfare fund: 0.5% of profit after tax
- Remuneration for BOD and BOS: 0.5% of profit after tax
- Dividend payout ratio: minimum 6% per annum

(Depending on the financial situation of the Company, authorize the Board of Directors to decide the period, the rate of dividend payment and the form of payment in cash or in shares).

Respectfully to the AGM's approval.

### \* Recipients:

- As above ;
- Filed.



ON BEHALF OF BOD  
CHAIRMAN

LE VU HOANG

**CII BRIDGES AND ROADS  
INVESTMENT JOINT STOCK  
COMPANY**

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

*Ho Chi Minh City, April 11, 2019*

No: 02/TT-DHDCD-CIIBR

## **PROPOSAL**

*Regarding the selection of independent auditing firm for the fiscal year 2019*

**To: Annual General Meeting of CII Bridges and Roads Investment  
Joint Stock Company.**

Regarding the selection of independent auditing firm for the fiscal year 2019, the Board of Directors kindly submits to the General Shareholders' Meeting to select CPA VIET NAM Auditing Company Limited (CPA VIETNAM) as the auditor for the 2019 financial statements of CII Bridges and Roads Investment Joint Stock Company for the following reasons:

CPA VIET NAM Auditing Company Limited is Member of International Auditing Firm Moore Stephens - the world's 10th largest auditing firm with headquarters in the United Kingdom.

Currently, CPA VIET NAM is one of the approved auditing firms as an independent auditing organization for public interest units in 2019 under Decision No. 2155 / QD-BTC dated November 15, 2018 of Minister of Finance.

CPA VIET NAM has performed the audit for CIIBR and its parents company (CII) from 2018 so they have through understanding about business activities and the specialized booking system of the company.

With reasonable and competitive audit fee good services, CPA VIET NAM has always met our deadlines for the inspection reports, audit reports. This allowed the company to report timely to the BOD, shareholders on performance in the fiscal year.

Respectfully to the AGM's approval,

**\* Recipients:**

- As above ;
- Filed.



**LE VU HOANG**



Ho Chi Minh City, April 23<sup>th</sup>, 2019

No: 01 /NQ-DHDCD/2019

**DRAFT**

**RESOLUTION**  
**THE ANNUAL GENERAL MEETING (FOR FINANCIAL 2018)**

**CII BRIDGES AND ROADS INVESTMENT JOINT STOCK COMPANY**

- Pursuant to the Law on Enterprises No.68/2014/QH12 of the National Assembly of the Socialist Republic of Vietnam which has been put into effect since 01st, July, 2015;
- Pursuant to the Charter of CII Bridges and Roads Investment Joint Stock Company;
- Based on the voting result on the 2018 Annual General Meeting on April 23<sup>th</sup>, 2019.

**ANNUAL GENERAL MEETING OF  
CII BRIDGES AND ROADS INVESTMENT JOINT STOCK COMPANY**

**DECIDE**

**Article 1.** To approve of regulations of 2018 Annual General Meeting of CII Bridges and Roads Investment Company.

\* Result:

**Agree**

Vote: .....

?: .....%

**Disagree**

Vote: .....

?: ...%

**No opinion**

Vote: .....

?: .....%

**Article 2.** To approve of 2018 operating report (attached in the documents of 2018 Annual General Meeting sent to all Shareholders) and 2018 Profit distribution project as follows:

2018 Net income (parent company): ..... VND

– Provision the Reserve fund for charter capital (5%): ..... VND

– Provision for welfare and rewards (0.5%): ..... VND

– Remuneration for Board of Directors and Board of Supervisors (0.5%):  
..... VND.

– Dividend payout ratio: .....

(Depending on the financial situation of the Company, authorize the Board of Directors to determine the dividend payment period and the form of payment in cash or shares).

\* Result:

**Agree**

Vote: .....

**Disagree**

Vote: .....

**No opinion**

Vote: .....

%: .....%

%: ...%

%: .....%

**Article 3.** To agree with the 2019 operating plan (attached in the documents of 2018 Annual General Meeting sent to all Shareholders).

To approve the profit distribution plan for 2019 as follows:

- Provision for Reserve fund for chartered capital: .....% of net income
- Provision for welfare and rewards: ....% of net income
- Remuneration for Board of Directors and Board Of Supervisors:  
.....% of net income
- Dividend payout ratio: .....

(Depending on the financial situation of the company, the Annual General Meeting authorizes the BOD to decide on the dividend payout by cash or by shares).

\* Result:

**Agree**

Vote: .....

%: .....%

**Disagree**

Vote: .....

%: ...%

**No opinion**

Vote: .....

%: .....%

**Article 4.** To approve the outcome report on the audit of 2018 financial statements of CII Bridges and Roads Investment JSC.

\* Result:

**Agree**

Vote: .....

%: .....%

**Disagree**

Vote: .....

%: ...%

**No opinion**

Vote: .....

%: .....%

**Article 5.** To approve the report on Board of Directors 2018 results of CII Bridges and Roads Investment JSC.

\* Result:

**Agree**

Vote: .....

%: .....%

**Disagree**

Vote: .....

%: ...%

**No opinion**

Vote: .....

%: .....%

**Article 6.** To approve the report of the Supervisory Board on operation in 2018.

\* Result:

**Agree**

Vote: .....

%: .....%

**Disagree**

Vote: .....

%: ...%

**No opinion**

Vote: .....

%: .....%

**Article 7.** Approve the engagement of ..... Company as the independent auditor of the Company in 2019 (according to the Proposal No. 02/TT-DHDCD-CIIBR dated ...../04/2019 of the Board of Directors).

The General Meeting of Shareholders authorizes the General Director to sign auditing contract with auditing company to perform financial statement audit for 2019.

\* Result:

**Agree**

Vote: .....

?: .....%

**Disagree**

Vote: .....

?: ...%

**No opinion**

Vote: .....

?: .....%

**Article 8.** This resolution comes into effect at the date of signing; all the shareholders of CII Bridges and Roads JSC, Member of Board of Directors, Member of Board of Supervisors, all the employees and officers of the Company are responsible of implementing this Resolution.

**ON BEHALF OF BOD OF CII B&R**

**CHAIRMAN**

**LE VU HOANG**