

**CONSTRUCTION JOINT STOCK
COMPANY NO.6**

Audited Consolidated Financial Statements
for the fiscal year ended
December 31, 2021



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CONSTRUCTION JOINT STOCK COMPANY NO.6

CORPORATE INFORMATION

GENERAL INFORMATION

Construction Joint Stock Company No.6 is a joint stock company converted from a state-owned enterprise under Decision No. 4446/QĐ – BGTVT dated December 31, 2002 of the Minister of Transport. The company operates under the Business Registration Certificate No. 0103002966 issued by the Department of Planning and Investment of Hanoi, changed from the 1st to the 12th time on April 01, 2021.

The Company's shares are registered for trading at UPCoM Exchange with the stock trading code "CT6" according to the listing registration certificate No. 203/QĐ-SGDHN issued by the Hanoi Stock Exchange on April 02, 2010.

BOARD OF DIRECTORS

- Mr Pham Van Thuy	Chairman	<i>Appointed on March 19, 2021</i>
- Mr Lai Van Quan	Chairman	<i>Dismissed on March 19, 2021</i>
- Mr Phan Hong Ngoc	Member	<i>Appointed on November 30, 2021</i>
- Mr Pham Xuan Huy	Member	<i>Dismissed on November 30, 2021</i>
- Mr Trinh Van Thuy	Member	
- Mr Luong Ba Minh	Member	
- Mr Phan Anh Tuan	Member	

BOARD OF MANAGEMENT

- Mr Phan Hong Ngoc	General Director	<i>Appointed on April 01, 2021</i>
- Mr Pham Xuan Huy	General Director	<i>Dismissed on April 01, 2021</i>
	Vice General Director	<i>Appointed on April 01, 2021</i>
- Mr Nguyen Duy Duong	Vice General Director	<i>Appointed on April 12, 2021</i>
- Mr Trinh Van Thuy	Vice General Director	
- Mr Luong Ba Minh	Vice General Director	
- Mr Phan Anh Tuan	Chief Accountant	

BOARD OF SUPERVISOR

- Mr Pham Anh Tu	Chief Supervisor
- Mr To Van Tuyen	Member
- Mr Nguyen Van Hoan	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Phan Hong Ngoc - title: General Director.

BUSINESS REGISTRATION OFFICE

The Company's head office is at Group 36, Dong Anh town, Dong Anh district, Hanoi.

AUDITORS

BDO Audit Services Company Limited has audited the Company's consolidated financial statements for the fiscal year ended December 31, 2021.

CONSTRUCTION JOINT STOCK COMPANY NO.6

REPORT OF BOARD OF MANAGEMENT

The Board of Management of Construction Joint Stock Company No.6 ("the company") presents this report together with the Company's Financial Statements for the fiscal year ended December 31, 2021 which were audited by independent auditors.

RESPONSIBILITIES OF BOARD OF MANAGEMENT

Board of Management is responsible for the preparation of the consolidated financial statements of the Company which give a true and fair view of the financial position of the Company as at December 31, 2021, as well as of its results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese accounting system and prevailing legal regulations relating to the preparation and presentation of financial statements.

In preparing the consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State applicable accounting principles that have been followed, any material deviations (if any) discovered and explained in consolidated financial statements;
- Prepare consolidated financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

Board of Management is responsible for ensuring that accounting records are kept adequately to give a fair and true view of the financial position of the Company at any time and to ensure that the accompanying consolidated financial statements of the Company were prepared in accordance with Vietnamese Accounting Standards, current Enterprise Accounting Law of Vietnam and relevant legal regulations. The Board of Management is also responsible for safeguarding the Company's assets and hence for taking reasonable for the prevention and detection of fraud and other irregularities.

Board of Management confirms that we have complied with the above requirements in preparing the accompanying consolidated financial statements.

APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management approves the accompanying consolidated financial statements for fiscal year ended December 31, 2021, which are prepared from page 06 to page 34. According to the Board of Management, in all material respectst, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at December 31, 2021, its consolidated operation results and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations relevant to the preparation and presentation of consolidated financial statements.

Hà Nội, March 18, 2022

For and on behalf of Board of Management



General Director
Phan Hong Ngoc

INDEPENDENT AUDITORS' REPORT

*On the Consolidated Financial Statements of Construction Joint Stock Company No.6
for the fiscal year ended December 31, 2021*

**To: SHAREHOLDERS, BOARD OF DIRECTORS, BOARD OF MANAGEMENT
CONSTRUCTION JOINT STOCK COMPANY NO.6**

We have audited the accompanying consolidated financial statements of dated March 18, 2022, which are set out on pages 06 to 34 including: Consolidated Balance Sheet as at December 31, 2021, Consolidated Income statement, Consolidated Cash Flow statement and Notes to the consolidated financial statements for the year then ended.

Board of Management's Responsibilities

The Board of Management is responsible for the preparation and fair presentation of the Company's consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations relevant to the preparation and presentation of consolidated financial statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or

Auditors' Responsibilities

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We have 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatements on the consolidated financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Company'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 consolidated financial statements.

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

Basis for the audit qualified opinion

The consolidated financial statements are including the financial statements of its subsidiary, which is Construction No.6 Myanmar Co., Ltd. As of December 31, 2021, on the Consolidated Balance Sheet, the figures of Construction No.6 Myanmar Co., Ltd include:

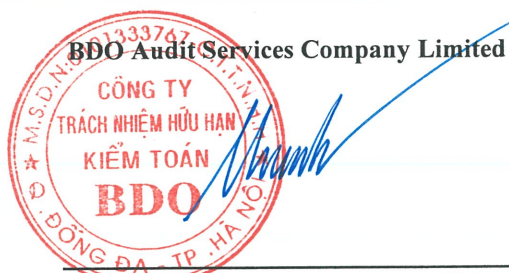
- Total assets: Cash and cash equivalents is VND 4,459,145,399 , Tangible fixed assets is VND 4,372,676,031 and other assets is VND 471,509,452;
- Liabilities: The prepayment by the investor is VND 7,434,673,618 and other payables is VND 347,431,530;
- Owner's equity: VND 1,521,225,734.

Due to the Covid-19 epidemic and the coup d'etat in Myanmar, we were unable to carry out the procedures to witness the inventory and collect the necessary audit evidence for the figures on the financial statements of Construction No.6 Myanmar Company Limited. Therefore, the figures of subsidiaries used to consolidate these Consolidated Financial Statements are based on the data provided by Construction No.6 Joint Stock Company .



Auditor's Qualified Opinion

In our opinion, except for the effects, if any, of the matters described in the “Basis for Qualified Opinion” paragraph, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at December 31, 2021, its consolidated operation results and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations relevant to the preparation and presentation of consolidated financial statements.



Bui Van Vuong - Deputy General Director

Certificate for Audit application registry:

0780-2018-038-1

Nguyen Tuan Anh - Auditor

Certificate for Audit application registry:

1906-2018-038-1

CONSTRUCTION JOINT STOCK COMPANY NO.6
CONSOLIDATED BALANCE SHEET

B01-DN

As at December 31, 2021

Unit: VND

ASSETS	Code	Note	Closing balance	Opening balance
A - CURRENT ASSETS	100		132,145,556,076	131,982,314,186
I. Cash and cash equivalents	110	V.1	10,617,646,028	11,908,657,612
1. Cash	111		10,617,646,028	11,908,657,612
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		1,183,793,000	-
1. Investment held to maturity	123	V.2	1,183,793,000	-
III. Current receivables	130		76,721,184,638	71,287,760,356
1. Current trade receivables	131	V.3	86,848,154,705	75,417,633,126
2. Current prepayment to suppliers	132	V.4	2,285,619,375	2,986,638,819
3. Other current receivables	136	V.5	3,409,176,302	4,227,522,794
4. Provision for current doubtful debts	137	V.6	(15,821,765,744)	(11,344,034,383)
IV. Inventories	140	V.7	43,102,856,444	48,395,133,420
1. Inventories	141		44,095,131,108	49,387,408,084
2. Provision for diminution in value of inventories	149		(992,274,664)	(992,274,664)
V. Other current assets	150		520,075,966	390,762,798
1. Current prepaid expenses	151	V.8.1	320,075,966	190,762,798
2. Taxes and other receivables from the State	153	V.14.2	200,000,000	200,000,000
B - NON-CURRENT ASSETS	200		24,442,811,264	23,124,246,599
I. Non-current receivables	210		-	-
II. Fixed assets	220		11,798,453,885	10,195,994,223
1. Tangible fixed assets	221	V.10	10,525,673,958	8,881,134,292
Cost	222		78,105,871,757	74,455,728,769
Accumulated depreciation	223		(67,580,197,799)	(65,574,594,477)
2. Intangible fixed assets	227	V.11	1,272,779,927	1,314,859,931
Cost	228		2,235,294,981	2,235,294,981
Accumulated amortization	229		(962,515,054)	(920,435,050)
IV. Long-term unfinished assets	240		11,628,751,493	11,628,751,493
1. Work in progress	241		-	-
2. Construction in progress	242	V.9	11,628,751,493	11,628,751,493
V. Long-term financial investments	250		-	-
1. Investment in subsidiaries	251		-	-
VI. Other non-current assets	260		1,015,605,886	1,299,500,883
1. Non-current prepaid expenses	261	V.8.2	1,015,605,886	1,299,500,883
TOTAL ASSETS	270		156,588,367,340	155,106,560,785

CONSTRUCTION JOINT STOCK COMPANY NO.6

CONSOLIDATED BALANCE SHEET (continued)

B01-DN

As at December 31, 2021

RESOURCES	Code	Note	Closing balance	Opening balance
C - LIABILITIES	300		108,100,963,319	116,945,939,967
I. Current liabilities	310		104,745,791,734	116,123,477,967
1. Current trade payables	311	V.12	54,588,857,668	56,267,970,896
2. Current prepayments from customers	312	V.13	9,712,864,400	11,269,243,423
3. Tax and other payables to the State	313	V.14.1	2,569,887,034	2,252,209,460
4. Payable to employees	314		6,257,437,907	4,952,316,892
5. Current accrued expenses	315	V.15	230,871,945	110,767,680
6. Payable according to the construction contract schedule	317		7,434,673,618	11,729,104,693
7. Short-term unrealized revenue	318	V.16	147,272,727	220,909,090
8. Other current payables	319	V.17	681,653,440	3,531,076,927
9. Short-term loans and financial lease liabilities	320	V.19	23,031,100,695	25,673,111,606
10. Bonus and welfare fund	322		91,172,300	116,767,300
II. Non-current liabilities	330		3,355,171,585	822,462,000
1. Long-term unrealized revenue	336	V.16	190,000,000	-
2. Provision for non-current payables	342	V.18	3,165,171,585	822,462,000
D - OWNER'S EQUITY	400		48,487,404,021	38,160,620,818
I. Owner's equity	410	V.20	48,487,404,021	38,160,620,818
1. Contributions from owners	411		61,080,780,000	61,080,780,000
- Ordinary shares with voting rights	411a		61,080,780,000	61,080,780,000
- Preference shares	411b		-	-
2. Treasury shares	415		(23,190,000)	(23,190,000)
3. Development investment funds	418		5,370,231,737	5,370,231,737
4. Undistributed profits after tax	421		(17,940,417,716)	(28,267,200,919)
- Previous year undistributed profit after tax	421a		(28,267,200,919)	(28,954,272,855)
- Current year undistributed profit after tax	421b		10,326,783,203	687,071,936
TOTAL RESOURCES	440		156,588,367,340	155,106,560,785

Prepared on March 18, 2022

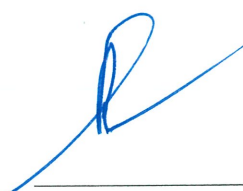
Preparer

Chief Accountant

General Director



Lai Hoai Trang



Phan Anh Tuan



Phan Hong Ngoc

CONSTRUCTION JOINT STOCK COMPANY NO.6

CONSOLIDATED INCOME STATEMENT

B02-DN

For the fiscal year ended December 31, 2021

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and rendering of services	01	VI.1	175,295,069,410	142,620,411,464
2. Revenue deductions	02	VI.2	837,289,147	287,226,593
3. Net revenues from sales of goods and rendering of services	10		174,457,780,263	142,333,184,871
4. Costs of goods sold	11	VI.3	153,100,328,004	124,680,070,456
5. Gross revenue from sales of goods and rendering of services	20		21,357,452,259	17,653,114,415
6. Financial income	21	VI.4	6,868,649	211,818,973
7. Financial expenses	22	VI.5	2,406,897,544	9,450,902,309
In which: Interest expenses	23		2,406,897,544	3,735,352,511
8. Selling expenses	25	VI.6	-	924,080,698
9. General administrative expenses	26	VI.7	9,229,454,935	13,245,075,809
10. Net profit operations	30		9,727,968,429	(5,755,125,428)
11. Other income	31	VI.8	654,089,800	7,139,575,373
12. Other expenses	32	VI.9	52,000,000	46,800,063
13. Other profit	40		602,089,800	7,092,775,310
14. Accounting profit before tax	50		10,330,058,229	1,337,649,882
15. Current corporate income tax expense	51	VI.10	3,275,026	650,577,946
16. Deferred corporate income tax expense	52		-	-
17. Net profit after corporate income tax	60		10,326,783,203	687,071,936
19. Net profit after enterprise income tax	61		10,326,783,203	687,071,936
20. Non-controlling interests	62		-	-
18. Earnings per share	70	VI.12	1,691	113
19. Diluted earnings per share	71		-	-

Prepared on March 18, 2022

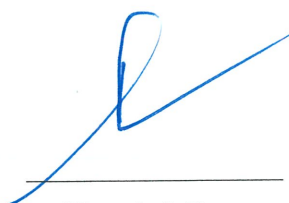
Preparer

Chief Accountant

General Director



Lai Hoai Trang



Phan Anh Tuan



Phan Hong Ngoc

CONSTRUCTION JOINT STOCK COMPANY NO.6

CONSOLIDATED CASH FLOW STATEMENT

B03-DN

For the fiscal year ended December 31, 2021

(Indirect method)

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		10,330,058,229	1,337,649,882
2. Adjusted for:				
- Depreciation of fixed assets and investment properties	02		2,047,683,326	3,954,701,186
- Provisions	03		6,820,440,946	6,395,755,559
- Foreign exchange gains/losses from reevaluation of monetary items denominated in foreign currencies	04		-	5,865
- Gains/(losses) from investment activities	05		(6,868,649)	4,375,335,636
- Interest expenses	06		2,406,897,544	3,657,746,606
- Other adjustments	07		-	-
3. Operating profit before changes in working capital	08		21,598,211,396	19,721,194,734
- Increase/decrease in receivables	09		(9,955,245,443)	9,286,959,777
- Increase/decrease in inventories	10		5,292,276,976	1,452,417,792
- Increase/decrease in payables (excluding interest payable, corporate income tax payable)	11		(8,628,456,613)	(14,722,717,594)
- Increase/decrease in prepaid expenses	12		154,581,829	2,447,391,241
- Increase/decrease in trading securities	13		-	-
- Interest paid	14		(2,286,793,279)	(3,875,506,045)
- Corporate income tax paid	15		(15,003,000)	(936,724,737)
- Other receipts from operating activities	16		44,089,800	262,381,660
- Other payments for operating activities	17		(25,595,000)	(330,306,274)
Net cash flows from operating activities	20		6,178,066,666	13,305,090,554
II. Cash flows from investing activities				
1. Acquisition of fixed assets and other non-current assets	21		(3,650,142,988)	(7,873,279,199)
2. Proceed from disposal of fixed assets and other non-current assets	22		-	7,200,000,000
3. Loan to other entities and payment for purchase of debt instruments of other entities	23		(1,183,793,000)	-
4. Collections from borrowers and proceeds from sale of debt instruments of other entities	24		-	-
5. Payment for investments in other entities	25		-	-
6. Proceed from sale of investments in other entities	26		-	3,000,000,000
7. Interests, dividends and distributed profit received	27		6,868,649	53,401,168
Net cash flows from investing activities	30		(4,827,067,339)	2,380,121,969

B03-DN


(Indirect method)

Prepaper



Lai Hoai Trang

Chief Accountant



Phan Anh Tuan

Prepared on March 18, 2022

General Director



Phan Hong Ngoc

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN

For the fiscal year ended December 31, 2021

I. GENERAL INFORMATION

1. Structure of ownership

Construction Joint Stock Company No6 is a joint stock company converted from a state-owned enterprise under Decision No. 4446/QĐ – BGTVT dated December 31, 2002 of the Minister of Transport. The company operates under the Business Registration Certificate No. 0103002966 issued by the Department of Planning and Investment of Hanoi on September 29, 2003. During the operation, changes in business functions, charter capital, and branch information of the Company have also been approved by the Hanoi Department of Planning and Investment in the business registration certificates changed from the 1st to the 12th time on April 01, 2021.

The Company's shares are registered for trading at UPCoM Exchange with the stock trading code "CT6" according to the listing registration certificate No. 203/QĐ-SGDHN issued by the Hanoi Stock Exchange on April 02, 2010.

2. Business sector

- Synthesize many business fields, including: production, construction, trade and service.

3. Business activities

The principal activities of the Company:

- Construction of railways and road projects;
- Warehouse and factory for rent;
- Testing building materials;
- Production of precast concrete structures.

4. Normal operating cycle

The Company's operating cycle is the period from purchase of raw materials used in the production process to its conversion into cash or other easily convertible assets, which is usually no more than 12 months, for works often depends on construction contract and project.

5. Business structure

List of subsidiaries

Name of subsidiaries	Address	Voting right	Capital contribution	Benefit rate
- Construction No6 Myanmar Co., Ltd	Thanmini, PaTha57, Penwegan, Bago, Myanmar	100%	100%	100%

Construction No.6 Myanmar Company has suspended construction from March 04, 2021 due to the Covid-19 epidemic situation and the impact of the February 01, 2021 coup in Myanmar. By the time of report release, the Company has not determined the time to continue the railway construction activities in Myanmar. All employees from Myanmar returning to Vietnam after the end of the quarantine as prescribed (April 04, 2021) have been arranged by the company to work at the units of Construction Joint Stock Company No.6.

List of dependent accounting enterprises

Name	Address
- 601 Construction Enterprise	Group 36, Dong Anh town, Dong Anh district, Hanoi.
- 605 Construction Enterprise	Group 36, Dong Anh town, Dong Anh district, Hanoi.
- Materials and construction enterprise	Group 38, Dong Anh town, Dong Anh district, Hanoi.
- Thap Cham Materials and construction enterprise	Do Vinh Ward, Phan Rang - Thap Cham city, Ninh Thuan Province.

6. Employees

Total number of employees of the Company with contracts of indefinite term as of December 31, 2021 was 100 persons (As at December 31, 2020 was 106 persons). In addition, to serve the construction of works and production and business activities of the company, according to the actual requirements from time to time, the company hires more short-term workers.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

B09-DN

For the fiscal year ended December 31, 2021

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Accounting period: starts on 01 January and ends on 31 December of the calendar year.

2. Accounting currency

The accounting currency is Vietnam dong (VND).

III. APPLIED ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Applied accounting system

The Corporations applies Vietnamese Enterprise Accounting System issued accompanying with Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance and Circular 53/2016/TT-BTC dated March 21, 2016 amending and supplementing some articles of Circular 200/2014/TT-BTC of the Ministry of Finance guiding corporate accounting and Circulars 202/2014/TT-BTC dated December 22, 2014 in preparing consolidated financial statements of the Ministry of Finance.

Consolidated Financial Statements are prepared at cost in accordance with Vietnamese Accounting Standards. The accompanying consolidated Financial Statements do not present financial position, operation results and cash flows in accordance with accounting principles and practices generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam.

2. Declaration on compliance with Accounting Standards and Accounting System

Board of Management has prepared and presented the Company's financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing legal regulations guiding the preparation and presentation of consolidated financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Company in the preparation of these financial statements. The accounting policies adopted by the Company in preparing these separate financial statements are consistent with the accounting policies applied in preparing the financial statements for the most recent financial year.

1. Basis for Consolidation of Financial Statements

The consolidated financial statements are prepared on the basis of consolidating the financial statements of the parent company and subsidiaries controlled by the parent company as at December 31, 2021, in accordance with Vietnamese Accounting Standards. . The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries other than Vietnam.

Subsidiaries are fully consolidated from the date of acquisition, which is the date on which the Company actually acquires control of the subsidiary and continue to be consolidated until the date that the Company effectively ceases to control the subsidiary.

The financial statements of the Parent Company and its subsidiaries used for consolidation have been prepared for the same accounting period and uniform accounting policies have been applied. Where necessary, the financial statements of subsidiaries are adjusted to ensure consistency with the accounting policies applied at the Company. Internal transactions, liabilities and unrealized profits and losses arising from internal transactions are completely eliminated when consolidating the financial statements.

2. Types of exchange rates applied in accounting

Commercial bank that the Company chooses the exchange rate to apply in accounting: Joint Stock Commercial Bank for Investment and Development of Vietnam - Eastern Hanoi Branch.

For the fiscal year ended December 31, 2021

Types of exchange rates applied when recording transactions:

- Real exchange rate at the time of transactions:

Used to convert into accounting currency for transactions that increase: Advance to suppliers, Accounts payable.

In case of selling goods or rendering services related to unearned revenue, or advance from customers: Revenue and income corresponding to the amount received in advance are applied the real exchange rate at the time of receiving advance from customers.

In case of asset procurement related to a advance transaction to suppliers: The asset value corresponding to the advance amount is applied the actual exchange rate at the time of prepayment to the suppliers.

- Nominal exchange rate:

Used to convert into accounting currency for transactions that decrease: Accounts payable, Advances to sellers for receiving products, goods, and fixed assets.

In case many receivables or payables in foreign currencies arise in a period with the same object, the actual nominal bookkeeping rate for each object is determined on the basis of mobile weighted average of transactions with that object.

- Mobile weighted average bookkeeping exchange rate:

Used to convert into the accounting currency on the Credit side of the cash accounts, when making payments in foreign currencies.

Types of exchange rates applied when re-evaluating at the end of the period

For foreign currencies deposited in banks, the actual exchange rate when re-evaluating is the buying rate of the bank where the Company opens a foreign currency account.

3. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit and term deposit, cash in transit and short-term investments with maturity of less than three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnamese Accounting Standard No. 24 "Cash Flow Statement".

4. Recognition of receivables

Receivables from customers and other receivables are classified upon following principles:

- Receivables from customers: comprise commercial receivables arising from purchase-sale transactions.

- Other receivables: comprise non-commercial receivables that are not related to purchase - sale transactions (including: money for collective kitchen, advance for ground clearance, ...).

Receivables monitoring

Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables.

Receivables are recorded not exceeding the recoverable amount.

Provision for doubtful debts

- Provision for doubtful debts represents the amount of receivables that the Company does not expect to be able to collect at the balance sheet date. An increase or decrease in the provision account balance is recognized in general and administrative expenses during the period.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

- Receivables that are not yet due for payment but the debtor has fallen into bankruptcy or is undergoing procedures for dissolution, missing or absconding: Provision is made on the basis of the expected level of irrecoverable loss.
- As for the receivables of State entities, the Board of Directors determines that these debts will be recovered when the State can regulate capital between projects. Therefore, the Company does not make provision for doubtful debts for these receivables.

5. Recognition of inventory

Inventory is determined at the lower of cost or net realizable value. The determination follows Vietnamese Accounting Standards 02 - "Inventory". The costs of inventory comprise of all costs of purchase, costs of conversion and other costs incurred bringing the inventory to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sale.

Method of inventory value calculation: Weighted average

Method of inventory accounting: Perpetual inventory

Method of determining the cost of production in progress at the end of the period: The cost in progress at the end of the period is determined as the total cost of works related to construction, renovation, reinforcement and upgrading of works. railway, road has been implemented but has not been accepted by the investor for payment and the unfinished value of unfinished construction material products at the end of the fiscal year.

Provision for diminution in value of inventories: is made for the value of expected losses due to impairment of value through discounts, obsolete, poor quality, inferior, etc of raw materials and finished goods owned by the Company based on the reasonable evidence of impairment at the end of the fiscal year. Increases and decreases in the provision balance are recorded in cost of goods sold in the period.

6. Recognition and Depreciation of Fixed assets

Tangible fixed assets (TFA)

TFA are stated at cost less accumulated depreciation.

Historical cost of TFA means all the costs incurred by the Company to acquire TFA as of the time of putting such assets into the ready-for-use state. The determination of historical cost of TFA for each type of assets is in accordance with Vietnamese Accounting Standard No. 03 on TFA.

Expenses incurred after initial recognition (expenses for upgrading, renovating, maintaining, repairing...) are recorded in operating expenses in the period. In cases where it can be clearly proved that these expenses increase the future economic benefits expected to be obtained from the use of the TFA in excess of the initially assessed standard of performance, such these expenses are capitalized as an additional cost of the fixed asset.

When TFA are sold or disposal, their historical cost and accumulated depreciation are written-off from the balance sheet and any gain or loss arising from the disposal of the fixed assets is recognized in the income statement.

TFA are depreciated on a straight-line basis over their estimated useful lives as follows:

<u>Type of assets</u>	<u>Current year</u>
Buildings, structure	06 - 50 years
Machinery and equipment	03 - 10 years
Means of transportation and transmission	06 - 10 years
Management instrument and tools	04 - 08 years
Others TFA	06 - 10 years

For the fiscal year ended December 31, 2021

Intangible fixed assets (IFA)

IFA are stated at cost less accumulated amortization.

Land use right

Land use right is recognized as an intangible fixed asset when the Company is granted a land use right certificate. The cost of land use rights includes all costs directly attributable to bringing the land to a ready-for-use state. Land use rights are amortized on a straight-line basis over the useful life of the parcel.

7. Recognition of prepaid expenses

Prepaid expenses are expenses actually incurred but related to operating results of many accounting periods and the transfer of these expenses to operating expenses of the following accounting periods.

Prepaid expenses mainly include the value of tools, rental costs and other expenses incurred in the course of business activities of the Company and are considered likely to bring future economic benefits to the Company. These costs are allocated to the separate income statement on a straight-line basis, over the Company's estimated useful lives or time to recovery.

Prepaid expenses are monitored by period. At the balance sheet date, prepaid expenses with a period of no more than 12 months or a business cycle from the time of prepayment are classified as current prepaid expenses, prepaid expenses with a period of more than 12 months or more than one business cycle from the time of prepayment are classified as non-current prepaid expenses.

8. Recognition of payables

Payables are stated at cost. The classification of payables as trade payable, intra-company payable and other payable is according to the following principles:

- **Trade payables:** Including trade payables arising from the purchase of goods, services, assets, or expenses of subcontractors, joint venture contractors paid by the Company leading the joint venture and the investor Company account.
- **Other payables:** Including non-commercial payables, non-related to the purchase, sale and provision of goods and services (such as payment of social insurance and health insurance, voluntary insurance, union fee, severance allowance,...)

Payables monitoring

Payables are monitored in detail by original term, remaining term at the reporting time, original currency and each object. At the balance sheet date, payables with a remaining repayment period of not more than 12 months or a business cycle are classified as current liabilities, payables with a remaining repayment period of more than 12 months or more than a business cycle are classified as non-current liabilities.

Liabilities are recognized no less than the amount payable.

9. Recognition of accrued expenses

Expenses payable include the value of expenses that have been included in operating expenses during the period, but have not been actually paid at the end of the financial period on the basis of ensuring the matching principle between revenue and expenses cost. Accrued expenses are recognized based on reasonable estimates of payable amounts for used goods and services, including: interest expenses, expenses for construction works...

Basis for determining types of accrued expenses

- **Accrued interest expense in case of borrowing:** Based on principal, term, and applicable interest rate.

10. Recognition of provision for payables

Provisions are recorded when the Company has a present obligation (legal or constructive) as a result of a past event; there is an outflow of economic benefits that may result in the payment of the obligation; and provide a reliable estimate of the amount of the obligation. Provisions for payables are recorded to satisfy the conditions specified in VAS 18 "Provisions, allowance and contingencies".

Provision for warranty payments for products, goods and construction works

Provisions for payables for product warranty obligations are made for each type of product, goods, and construction works with warranty commitments with the amount set aside according to commitments with customers.

Provisions for product warranties are made for each type of product, goods, and construction works in accordance with regulations TT48/2019/TT-BTC dated August 08, 2019 guiding the setting up of provisions and estimates, the company's implementation costs. Contracts for construction and sale of concrete sleepers have a warranty period of 1 year from the date of acceptance and handover of products. The company is estimating the warranty provision ratio as follows:

- For construction and installation works: 1%-2% of the final settlement value of the works, based on the contract commitment.
- For products and goods, sleepers: 1%-2% of the value of products and goods.

11. Recognition of unrealized revenue

Unrealized revenue is recognized when the Company receives prepayments from customers relating to the following: Prepayment of rentals from customers.

Method of allocation of unrealized revenue: unrealized revenue is allocated and recorded in the income statement during the period, based on the time and term of the amount received in advance.

12. Recognition of loans

Loans are tracked in detail by object and term. At the time of the separate financial statements, loans that are due within 12 months or the next business cycle are classified as short-term loans, with repayment periods exceeding 12 months or more than a business cycle are recognized as a long-term loan.

13. Recognition and capitalization of borrowing costs***Recognition of borrowing costs***

Borrowing costs include interest expenses and costs directly related to the loan.

Borrowing costs are recorded as financial expenses in the period when they are incurred (except for cases where they are capitalized in accordance with Vietnamese Accounting Standard No.16 "Borrowing costs").

14. Recognition of owners' equity***Owners' equity***

Owner's contributed capital: Reflects the actual amount invested by shareholders.

Treasury shares: As shares issued and repurchased by the Company, these shares cannot be canceled and re-issued in accordance with the law on securities.

Recognition of investment and development fund.

The deduction and use of the Development Investment Fund shall comply with the resolution of the Annual General Meeting of Shareholders.

Recognition of undistributed profit

Undistributed profit reflects the operating results (profit and loss) after CIT and the distribution of profits or handling of losses of the Company. Undistributed profits are monitored in detail according to the operating results of each financial year (previous year, current year), and monitored in detail according to each type of profit distribution (distribution of funds, supplement the owners' investment capital, distribution of dividends and profits to shareholders and investors).

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

15. Recognition of revenue

Revenue from sale of goods, finished products

Revenue from sale of goods and finished products is recorded when the results of the transaction can be reliably measured and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from sale of goods is recorded when the significant risks and rewards of ownership have passed to the buyer. Revenue is not recorded when there are material uncertainties about the recoverability of sale proceeds or the possibility of return outwards.

Revenue from rendering of services

Revenue from the provision of laboratory services is recognized when the outcome of the transaction can be measured reliably. Revenue is recognized in the income statement for the period in proportion to the portion of services completed during the period.

If the contract outcome cannot be determined with certainty, revenue will be recognized only to the recoverable extent of the recognized costs.

Construction contract revenue

Revenue from construction activities is recognized when there is a record of acceptance and settlement and is accepted for payment by the customer. When the outcome of a construction contract can be estimated reliably, revenue and costs associated with a construction contract are recognized proportionally to the portion of the work completed at the balance sheet date main.

Financial income

Financial income includes: interest from deposits.

Interest on deposits: Recorded on the basis of time and real interest rate each period, unless the recoverability of interest is uncertain.

16. Recognition of revenue deductions

Revenue deductions include reductions in the settlement value of construction works due to the settlement approval process by a competent management agency or an audit, which are recognized on the following principles: Revenue arising in the same period from construction and installation activities is adjusted to decrease the revenue of the arising period.

In the case of construction works that have recognized revenue from previous periods, a reduction in revenue will be incurred until the following period, and this event occurs before the time of issuing the consolidated financial statements: The Company records a decrease in revenue in the consolidated financial statements in accordance with the provisions of Vietnamese Accounting Standard No. 23 "Events arising after the balance sheet date".

In the case of construction and installation works, revenue has been recognized from previous periods, and after the issue of separate financial statements of the following period, a revenue deduction will be incurred: The Company records a decrease in revenue of the arising period.

17. Recognition of cost of goods sold

Cost of goods sold is recorded on the matching basis with revenue.

In order to ensure prudence concept, costs exceeding the normal level of inventories are immediately recorded as expenses in the period (after deducting compensation, if any), including: abnormal waste of direct raw materials, labor costs, fixed production overhead costs not allocated to the value of products, inventory loss,...

The entries for deduction in cost of goods sold is the value of works that are reduced by subcontractors or contractors in the joint venture when the investor finalizes the works.

18. Recognition of financial expenses

Financial expenses include: Interest expense.

Interest expense (including accruals) of the reporting period is fully recognized in the period.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

19. General Administrative expenses

General Administrative expenses: including the cost of salaries for employees of the management department (salaries, allowances,...); social insurance, health insurance, union fees, unemployment insurance of management staff; expenses for office materials, labor tools, depreciation of fixed assets used for enterprise management; land rent, license tax; provision for doubtful debts; outsourced services (electricity, water, telephone, fax, property insurance, fire and explosion insurance...); other monetary expenses (reception, customer conference...).

The Company did not record any general administrative expense deductions during the year.

20. Tax accounting principle

a) Current corporate income tax expense

Current income tax expense is determined on the basis of taxable income and corporate income tax rate in the current year (20%).

b) Land rental expenses

Annual land rental expenses of the company being managed and used are recorded according to the notice of the tax authority.

c) Other taxes

Other taxes are applied in accordance with applicable tax laws in Vietnam.

The Company's tax reports will be subject to inspection by the tax authorities. Because the application of tax laws and regulations to different types of transactions can be interpreted in different ways, the tax amounts presented in the financial statements are subject to change at the final discretion by the tax authorities.

21. Related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties can be companies or individuals, including close members of the family of the individual considered to be related.

In considering the relationship of related parties, the substance of the relationship is focused more than the legal form.

Transactions and balances with related parties during the year are presented in Note VIII.2.

22. Other accounting principles

Construction-in-progress

Construction in progress including: investment project of Suoi Kiet quarry - Binh Thuan, recorded according to actual costs incurred up to the reporting time.

V. ADDITIONAL INFORMATION ABOUT ITEMS ON CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	Closing balance	Opening balance
Cash on hand	32,606,786	476,458,241
Cash at bank	10,585,039,242	11,432,199,371
Total	10,617,646,028	11,908,657,612

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

2. Short-term financial investments

Investment held to maturity

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
Short-term				
Term deposit (*)	1,183,793,000	1,183,793,000	-	-
Total	1,183,793,000	1,183,793,000	-	-

(*) Deposit contract No. 01/2021/153713/HDTG with Joint Stock Commercial Bank for Investment and Development of Vietnam - Eastern Hanoi Branch is valued at VND 1,183,793,000 with a term of 12 months, interest rate is 4,9%/year .

3. Current trade receivables

	Closing balance	Opening balance
Receivables from other customers	35,412,345,981	75,417,633,126
Railway Project Management Board, Ministry of Transport (Project Package No. 11: Upgrading the railway section of Bieu Nghi - Ha Long (Km105+200-Km124+483))	13,584,800,689	13,584,800,689
Vietnam Railways Corporation (Construction of XL package VNR-WB4-12: Renovating drainage system of Hue Cua Ong Coal Company - Quang Ninh (Package No. 03: Repairing railway pile 4-Coal furnace 13/52)	6,743,041,606	6,743,041,606
NHP Tien Loc Commercial JSC	5,672,129,144	-
Sai Gon Railway JSC	4,348,108,082	4,348,108,082
China Railway Sixth Group Co., Ltd (Construction package of Cat Linh - Ha Dong railway)	5,064,266,460	2,643,620,433
Phu Khanh Railway JSC	3,617,258,421	4,232,881,200
Ha Hai Railway JSC	2,673,573,000	3,220,333,300
Railway Project Management unit 1	4,919,461,728	3,958,411,380
Other customers	1,516,497,670	6,414,582,801
	38,709,017,905	30,271,853,635
Receivables from related parties	-	-
Total	86,848,154,705	75,417,633,126

4. Current prepayment to suppliers

	Closing balance	Opening balance
Prepayment to other suppliers	2,285,619,375	2,986,638,819
Railway Project Management unit 1	-	217,474,000
Branch of Transport Investment and Construction JSC - Transport Construction and Investment Consulting	171,000,000	171,000,000
Vinh Thai Lao Cai JSC	184,026,800	184,026,800
Tien Truong Private Enterprise	165,801,555	165,801,555
Viet Nam TH Equipments & material JSC	826,188,000	-
Bac Trung Nam Construction Investment Railway Project JSC	-	1,487,640,000
Other suppliers	938,603,020	760,696,464
Prepayment to related parties	-	-
Total	2,285,619,375	2,986,638,819

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

5. Other current receivables

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
Receivables from employees	1,175,883,631	-	1,198,121,117	-
Phan Anh Phuong	729,080,000	729,080,000	820,000,000	-
Truong Duy Ha	713,910,850	713,910,850	750,000,000	-
Ta Viet Anh	301,512,500	-	301,512,500	-
Bui Manh Hai	-	-	593,750,000	-
Other current receivables	488,789,321	-	564,139,177	-
Total	3,409,176,302	1,442,990,850	4,227,522,794	-

6. Provision for current doubtful debts

6.1 Receivables that are past due, or not past due but difficult to collect

	Closing balance		Opening balance	
	Value	Recoverable amount	Value	Recoverable amount
Mr Phan Anh Phuong	729,080,000	-	820,000,000	820,000,000
Mr Truong Duy Ha	713,910,850	-	750,000,000	750,000,000
Truong Phuoc Loc Co., Ltd	566,381,835	-	566,381,835	-
Road Management and Repair Co., Ltd	299,368,000	-	299,368,000	-
715				
Construction investment JSC 120	3,579,130,833	-	3,579,130,833	-
DAP JSC No. 2	1,281,441,974	408,937,987	1,745,007,974	872,503,987
Sai Gon Railway JSC	4,348,108,082	-	4,348,108,082	2,174,054,041
Xuan Loc Phat Trading and Service	1,346,651,400	-	1,346,651,400	-
230 Build Construction invest JSC	503,033,000	-	503,033,000	-
Kien Khe Mining Co., Ltd	551,331,750	-	551,331,750	-
Hien Minh Co., Ltd	386,890,460	-	386,890,460	-
Anh Binh An Construction JSC	922,314,516	-	922,314,516	461,157,258
Other customers	1,003,061,031	-	603,531,819	-
Total	16,230,703,731	408,937,987	16,421,749,669	5,077,715,286

6.2 Assessment of the Company on the ability to recover overdue debts

The Company has assessed and made provision for overdue debts and irrecoverable debts with appropriate caution.

The Company will continue to take measures to ensure the recovery of overdue debts.

7. Inventories

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
Raw materials	7,811,586,730	-	12,037,562,850	-
Instrument and tools	296,952,056	-	363,678,966	-
Work-in-progress	22,606,745,383	(992,274,664)	25,424,714,081	(992,274,664)
Finished products	13,379,846,939	-	11,561,452,187	-
Total	44,095,131,108	(992,274,664)	49,387,408,084	(992,274,664)

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

Details of movement in provision for diminution in value of inventories:

	Current year	Previous year
Opening balance	992,274,664	-
Add: Provision made in the year	-	992,274,664
Minus: Provision utilized and reversed in the year	-	-
Closing balance	992,274,664	992,274,664

8. Prepaid expenses

8.1 Current prepaid expenses

	Closing balance	Opening balance
- Instrument and tools	320,075,966	190,762,798
Total	320,075,966	190,762,798

8.2 Non-current prepaid expenses

	Closing balance	Opening balance
- Instrument and tools	1,015,605,886	1,237,944,847
- Fixed asset repair costs	-	61,556,037
Total	1,015,605,886	1,299,500,883

9. Long-term construction on progress

	Closing balance	Opening balance
Suoi Kiet quarry investment project - Binh Thuan (*)	11,628,751,493	11,628,751,493
Total	11,628,751,493	11,628,751,493

(*) Suoi Kiet quarry project is a project of exploiting - processing stone quarry for construction of Nui Kiet, Suoi Kiet commune, Tanh Linh district, Binh Thuan province and has been granted Mineral Mining License No 1105/GP-UBND dated May 06, 2019. The project is implemented by the Company with a total land area of 41,436 hectares with a total reserve of monolithic building stone of 20,197,127 m³ and 2,745,553 m³ of covered land, with a mining capacity of 500,000 m³ of monolithic stone/year. The estimated time for exploiting all mine reserves is 30 years. Due to insufficient resources to continue implementing the project, the Company is looking for an object to transfer the project so that it can continue to deploy and exploit the project.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

10. Increase or decrease in tangible fixed assets

	<i>Buildings, structure</i>	<i>Machinery and equipment</i>	<i>Means of transportation and transmission</i>	<i>Management instrument and tools</i>	<i>Others TFA</i>	<i>Total</i>
Historical cost						
Opening balance	19,033,328,742	38,664,718,238	12,606,146,908	427,526,363	3,724,008,518	74,455,728,769
Purchase in the year	30,016,690	3,195,774,353	-	168,984,545	-	3,394,775,588
Conversion to investment property	214,970,059	-	-	-	40,397,341	255,367,400
Sale and disposal	-	-	-	-	-	-
Other decrease	-	-	-	-	-	-
Closing balance	19,278,315,491	41,860,492,591	12,606,146,908	596,510,908	3,764,405,859	78,105,871,757
Accumulated depreciation						
Opening balance	16,509,055,609	34,228,170,970	11,310,238,798	422,935,678	3,104,193,422	65,574,594,477
Depreciation in the year	662,595,458	839,538,374	406,590,499	21,202,470	75,676,521	2,005,603,322
Other increase	-	-	-	-	-	-
Conversion to investment property	-	-	-	-	-	-
Sale and disposal	-	-	-	-	-	-
Other decrease	-	-	-	-	-	-
Closing balance	17,171,651,067	35,067,709,344	11,716,829,297	444,138,148	3,179,869,943	67,580,197,799
Carrying amount						
As at January 01, 2021	2,524,273,133	4,436,547,268	1,295,908,110	4,590,685	619,815,096	8,881,134,292
As at December 31, 2021	2,106,664,424	6,792,783,247	889,317,611	152,372,760	584,535,916	10,525,673,958

In which:

- The cost of the company's intangible fixed assets as at December 31, 2021 fully depreciated but still in use is VND 47,514,631,941 (as at December 31, 2020 is VND 47,645,926,922).

- The carrying amount of the company's intangible fixed assets as at December 31, 2021 used as collateral for loans from BIDV is VND 2,748,221,260 (as at December 31, 2020 is VND 3,056,596,028). Details are set out at Note No V.19.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

11. Increase or decrease in intangible fixed assets

	<i>Land use right</i>	<i>Computer software</i>	<i>Total</i>
Historical cost			
Opening balance	2,235,294,981	-	2,235,294,981
Sale and disposal	-	-	-
Closing balance	2,235,294,981	-	2,235,294,981
Accumulated amortization			
Opening balance	920,435,050	-	920,435,050
Amortization in the year	42,080,004	-	42,080,004
Closing balance	962,515,054	-	962,515,054
Carrying amount			
Opening balance	1,314,859,931	-	1,314,859,931
Closing balance	1,272,779,927	-	1,272,779,927

In which:

- The cost of the company's intangible fixed assets as at 31 December 2021 fully depreciated but still in use is VND 131,294,981 (as at 31 December 2020 is VND 131,294,981).

- The carrying amount of the company's intangible fixed assets as at 31 December 2021 used as collateral for loans from is VND 0 (as at 31 December 2020 is VND 0).

12. Current trade payables

	Closing balance		Opening balance	
	Value	Repayable value	Value	Repayable value
Payables to third parties	54,588,857,668	54,588,857,668	56,267,970,896	56,267,970,896
Construction JSC No.3	19,127,538,336	19,127,538,336	19,127,538,336	19,127,538,336
Railway Construction Corporation JSC	7,054,464,933	7,054,464,933	5,862,540,820	5,862,540,820
Tan Co Consulting and Trading JSC	-	-	4,559,434,489	4,559,434,489
Other suppliers	28,406,854,399	28,406,854,399	26,718,457,251	26,718,457,251
Payables to related parties	-	-	-	-
Total	54,588,857,668	54,588,857,668	56,267,970,896	56,267,970,896

13. Current prepayments from customers

	Closing balance	Opening balance
Phan Thiet Hoa Xa Co., Ltd	6,900,000,000	5,400,000,000
Ms Nguyen Thi Nga	-	2,000,000,000
Railway project management Board	-	1,403,776,800
Japan Vietnam Medical Instrument JSC	1,092,528,300	1,092,528,300
Thanh Phat Construction Work JSC	27,453,100	826,321,500
Mr Nguyen Van Son	800,000,000	-
Other customers	892,883,000	546,616,823
Total	9,712,864,400	11,269,243,423

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2021

14. Tax and other payables to the State

14.1 Tax payables

	Opening balance	Payable in year	Paid amount in year	Closing balance
VAT on domestic goods sold	2,134,075,911	4,526,869,288	4,657,949,122	2,002,996,077
VAT on imported goods	-	420,208,620	420,208,620	-
Corporate Income Tax	118,133,549	3,275,026	15,003,000	106,405,575
Personal Income Tax	-	66,357,679	64,131,679	2,226,000
Real estate tax, land rental fee	-	2,259,737,505	1,801,478,123	458,259,382
Charges, fees and other payables	-	5,000,000	5,000,000	-
Total	2,252,209,460	7,281,448,118	6,963,770,544	2,569,887,034

14.2 Tax receivables

	Opening balance	Payable in year	Paid amount in year	Closing balance
Corporate Income Tax	200,000,000	-	-	200,000,000
Total	200,000,000	-	-	200,000,000

Value Added tax

The company pays VAT by deduction. VAT rates are 10%.

Land rental fee

The company must pay land rent for the area located at Group 36, Dong Anh town, Dong Anh district, Hanoi. The tax rate shall comply with the notice of the tax authority.

Other taxes

The company declares and submits according to regulations.

15. Current accrued expenses

	Closing balance	Opening balance
Interest expense payable	230,871,945	110,767,680
Total	230,871,945	110,767,680

16. Unrealized revenue

Short-term unrealized revenue

	Closing balance	Opening balance
Petroleum retail enterprise	147,272,727	220,909,090
Total	147,272,727	220,909,090

Long-term unrealized revenue

	Closing balance	Opening balance
TST . Construction JSC - Rent a machine	190,000,000	-
Total	190,000,000	-

17. Other current payables

	Closing balance	Opening balance
Trade Union fee	74,604,260	41,840,516
Payable due to termination of labor contract	76,760,913	1,136,869,344
Ms Dam Thi Kim Cuc	-	1,777,605,955
Other payables	530,288,267	574,761,112
Total	681,653,440	3,531,076,927

CONSTRUCTION JOINT STOCK COMPANY NO.6**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN***For the fiscal year ended December 31, 2021***18. Provision for non-current payables**

	Closing balance	Opening balance
Product warranty backup	1,704,950,329	649,071,915
Construction works warranty reserve	1,460,221,256	173,390,085
Total	3,165,171,585	822,462,000

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

19. Short-term loans and financial lease liabilities

	Opening balance		During the year		Closing balance	
	Value	Recoverable amount	Increase	Decrease	Value	Recoverable amount
Bank loan (i)	21,300,416,606	21,300,416,606	31,630,684,089	36,487,000,000	16,444,100,695	16,444,100,695
Joint Stock Commercial Bank for Investment and Development of Vietnam - Dong Anh Branch	21,300,416,606	21,300,416,606	31,630,684,089	36,487,000,000	16,444,100,695	16,444,100,695
Personal loan (ii)	4,372,695,000	4,372,695,000	7,980,000,000	5,765,695,000	6,587,000,000	6,587,000,000
Mr Nguyen Van Phong	180,000,000	180,000,000	430,000,000	180,000,000	430,000,000	430,000,000
Mr Lai Van Quan	2,007,000,000	2,007,000,000	700,000,000	1,400,000,000	1,307,000,000	1,307,000,000
Ms Le Thi Ngoc	2,000,000,000	2,000,000,000	-	2,000,000,000	-	-
Mr Le Quang Phu	185,695,000	185,695,000	-	185,695,000	-	-
Ms Dam Thi Kim Cuc	-	-	3,200,000,000	2,000,000,000	1,200,000,000	1,200,000,000
Ms Nguyen Thi Hanh	-	-	350,000,000	-	350,000,000	350,000,000
Mr Bui Manh Hai	-	-	300,000,000	-	300,000,000	300,000,000
Ms Le Thi Hai Yen	-	-	1,000,000,000	-	1,000,000,000	1,000,000,000
Ms Phan Thi Thanh Hai	-	-	2,000,000,000	-	2,000,000,000	2,000,000,000
Total	25,673,111,606	25,673,111,606	39,610,684,089	42,252,695,000	23,031,100,695	23,031,100,695

Details of short-term loans:

(i): Line credit contract No. 01/2021/153713/HDTD dated August 31, 2021 to supplement working capital Loan term: 12 months. The interest rate is determined depending on the time of receiving the debt receipt. This loan is secured by mortgaging movable and immovable property according to the mortgage contract No. 02/2017/153713/HDBD dated August 28, 2017 and the addendum to the mortgage contract No. 01/2019/PLHD dated November 11, 2019, as amended according to the mortgage contract appendix No. 01/2021/PLHD dated June 7, 2021.

(ii): Loans to individuals are based on loan contracts and the Board of Directors Resolution No. 08/2020/NQ-HDQT dated July 20, 2020, Resolution of the 30th meeting of the Board of Directors for the 2017-2022 term to additional working capital. Loan term: has a term of more than 3-12 months. Interest rate: adjusted according to the lending company's commercial bank's interest rate at the end of the year is 10%/year (not exceeding the interest rate of the bank borrowing company). This loan is an unsecured loan.

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

20. Owner's equity

a. Table of changes in equity

	Owner's equity	Share premium	Foreign exchange difference	Investment Development fund	Treasury Shares	Undistributed profit after tax	Total
Opening balance of previous year	61,080,780,000	-	-	5,370,231,737	(23,190,000)	(28,954,272,855)	37,473,548,882
Increase capital of previous year	-	-	-	-	-	-	-
Domestic profit in previous year	-	-	-	-	-	687,071,936	687,071,936
Profit distribution	-	-	-	-	-	-	-
Closing balance of previous year	61,080,780,000	-	-	5,370,231,737	(23,190,000)	(28,267,200,919)	38,160,620,818
Opening balance of current year	61,080,780,000	-	-	5,370,231,737	(23,190,000)	(28,267,200,919)	38,160,620,818
Capital increase in current year	-	-	-	-	-	-	-
Profit in current year	-	-	-	-	-	10,326,783,203	10,326,783,203
Profit distribution	-	-	-	-	-	-	-
Closing balance of current year	61,080,780,000	-	-	5,370,231,737	(23,190,000)	(17,940,417,716)	48,487,404,021

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

b. Details of contributed capital

	Current year	Previous year
Contributed capital of State	9,704,330,000	9,704,330,000
Contributed capital of other shareholders	51,376,450,000	51,376,450,000
Treasury Share	(23,190,000)	(23,190,000)
Total	61,057,590,000	61,057,590,000

Capital transactions with owners and distribution of dividends and profits

	Closing balance	Opening balance
Contributed capital	-	-
+ At the beginning of the year	61,080,780,000	61,080,780,000
+ Increase in the year	-	-
+ Decrease in the year	-	-
+ At the end of year	61,080,780,000	61,080,780,000
Dividends	-	-

c. Shares

	Closing balance	Opening balance
Authorized shares		
Issued shares	6,108,078	6,108,078
- Common shares	6,108,078	6,108,078
- Preferred shares	-	-
Repurchased shares	2,319	2,319
- Common shares	2,319	2,319
- Preferred shares	-	-
Shares in circulation	6,105,759	6,105,759
- Common shares	6,105,759	6,105,759
- Preferred shares	-	-

Par value of outstanding shares: VND 10,000

d. Other owners' equity fund

	Opening	Additional fund	Used amount	Closing balance
Development investment funds	5,370,231,737	-	-	5,370,231,737
Total	5,370,231,737	-	-	5,370,231,737

Purpose of fund distribution

Investment and development fund: used in accordance with state regulations and resolutions of the general meeting of shareholders.

21. Off-balance sheet items Consolidated

a. Foreign currencies

Details of the amount of each type of foreign currency that the Company holds in original currency is as follows:

Foreign currencies	Closing balance	Opening balance
USD	101.34	101.34
KYAT	551,783.38	551,783.38

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

b. Doubtful debts

Details of bad debts handled in 10 years are as follows:

Subjects	Amount (VND)	Written-off year	Reason for settlement
Youth volunteer team	1,000,699,356	2020	Irrecoverable debt
Bao Quan .,Co Ltd	283,532,774	2020	Irrecoverable debt
Civil Engineering Construction corporation No.5	404,810,607	2020	Irrecoverable debt

VI. ADDITIONAL INFORMATION ABOUT ITEMS ON CONSOLIDATED INCOME STATEMENT

1. Revenue from sales of goods and rendering of services

Revenue from sales of goods and rendering of services

	Current year	Previous year
Revenue from sale of finished products	89,901,527,829	79,490,157,951
Revenue from providing laboratory services	42,140,000	126,630,000
Revenue from construction contract	85,351,401,581	63,003,623,513
Total	175,295,069,410	142,620,411,464
In which		
Revenue from third parties	175,295,069,410	142,620,411,464
Revenue from related parties	-	-
Total	175,295,069,410	142,620,411,464

2. Revenue deductions

	Current year	Previous year
Trade discount	837,289,147	287,226,593
Total	837,289,147	287,226,593

3. Costs of goods sold

	Current year	Previous year
Cost of merchandise and finished products sold	73,262,544,530	66,242,275,016
Cost of service rendered	32,232,200	36,556,549
Cost of construction contract (*)	79,805,551,274	58,401,238,891
Total	153,100,328,004	124,680,070,456
(*) Cost of construction contract include:		
Costs of items and works actually incurred	79,805,551,274	58,401,238,891
Accrued expenses in advance to the value of the work	-	-
Total	79,805,551,274	58,401,238,891

4. Financial income

	Current year	Previous year
Deposit, loan interests	6,868,649	53,401,168
Other financial income	-	158,417,805
Total	6,868,649	211,818,973

CONSTRUCTION JOINT STOCK COMPANY NO.6**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN***For the fiscal year ended December 31, 2021***5. Financial expenses**

	Current year	Previous year
Interest expenses	2,406,897,544	3,735,352,511
Losses on disposal of investments	-	4,062,341,429
Losses on unrealized foreign exchange differences	-	5,865
Other financial expenses	-	1,653,202,504
Total	2,406,897,544	9,450,902,309

6. General administrative expenses

	Current year	Previous year
Administrative labor cost	4,388,275,374	6,015,920,456
Office equipment expenses	-	12,144,770
Tools and supplies	-	3,080,000
Depreciation expenses	493,073,670	1,068,780,831
Tax, fees, charges	-	3,344,989,363
Provision	-	5,397,805
Outsourced service expenses	22,354,704	743,170,323
Other monetary expenses	4,325,751,187	2,051,592,261
Total	9,229,454,935	13,245,075,809

7. Other income

	Current year	Previous year
Sale and disposal of fixed assets	-	7,047,183,303
Revenue from contract fines	650,000,000	-
Other income	4,089,800	92,392,070
Total	654,089,800	7,139,575,373

8. Other expenses

	Current year	Previous year
Other expenses	52,000,000	46,800,063
Total	52,000,000	46,800,063

9. Corporate Income tax

The Company is obliged to pay corporate income tax ("CIT") at the rate of 20% of taxable income from all operating activities.

Tax reports of the Company is subject to the examination of tax agency. Due to the various explanation of tax law and regulations application for different transactions, tax amount in the Financial Statements will be adjusted according to final decision of the tax agency.

10. Corporate Income tax expenses

	Current year	Previous year
CIT expense calculated on income from real estate transfer	3,275,026	650,577,946
Adjustment of CIT expense of previous years to current income tax expense	-	-
Total current CIT expenses	3,275,026	650,577,946

CONSTRUCTION JOINT STOCK COMPANY NO.6**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN***For the fiscal year ended December 31, 2021***11. Operating expenses**

	Current year	Previous year
Raw materials	95,310,834,339	70,846,885,048
Labor costs	38,773,788,378	26,672,641,840
Depreciation expenses	1,817,556,824	2,322,922,577
Outsourced service expenses	40,995,878,715	29,972,648,672
Total	176,898,058,256	129,815,098,137

12. Basic earnings per share

Basic earnings per share is calculated by dividing the after-tax profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the period.

The company uses the following information to calculate basic earnings per share:

	Current year	Previous year
Accounting profits after corporate income tax	10,326,783,203	687,071,936
Adjustments to increase or decrease of accounting profit to determine profit attributable to ordinary shareholders:		
Profit attributable to ordinary shareholders of the Company	10,326,783,203	687,071,936
Ordinary shares circulating on average during the year (*)	6,105,759	6,105,759
Basic earnings per share	1,691	113

(*) The average ordinary shares in circulation during the year are determined as follows:

	Current year	Previous year
At the beginning of the year	6,105,759	6,105,759
Increase in the year	-	-
Less: Treasury shares repurchased in the year	-	-
Average ordinary shares circulation in the year	6,105,759	6,105,759

CONSTRUCTION JOINT STOCK COMPANY NO.6**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN***For the fiscal year ended December 31, 2021***VII. ADDITIONAL INFORMATION ABOUT ITEMS ON CONSOLIDATED CASH FLOW STATEMENT****1. Borrowing principal actually received in the year**

	Current year	Previous year
Proceeds from borrowing under a conventional contract	31,630,684,089	46,886,167,609
Proceeds from borrowing under other forms	7,980,000,000	6,390,000,000
Total	39,610,684,089	53,276,167,609

2. Borrowing principal actually paid in the year:

	Current year	Previous year
Borrowing principal payments under a conventional contract	36,487,000,000	70,262,801,542
Payments for borrowing under other forms	5,765,695,000	6,083,000,000
Total	42,252,695,000	76,345,801,542

VIII. OTHER INFORMATION**1. Contingent liabilities**

As at December 31, 2021, Construction Joint Stock Company No.6 does not reflect the payable amount of Vietnam Railways Corporation in the amount of VND 457,937,671 which is being debited by Vietnam Railways Corporation (hereinafter referred to as: is the amount the Railway Corporation charges the superior management fee according to the proportion of the revenue of the subcontractors and joint venture contractors arising before transferring to the Joint Stock Company). In the handover file from Construction Company 6 to Construction Joint Stock Company No.6, signed and witnessed by Vietnam Railways Corporation and the capital handover document to Construction Joint Stock Company No.6 does not have this payable. The company reported to the Vietnam Railway Corporation and proposed to handle this difference.

2. Events after balance sheet date

There have been no events occurring after the balance sheet date that have a material effect or are likely to have a material effect on the operations of the Company and its results of operations in the periods following the balance sheet date.

3. Transactions with related parties**3.1 List of related parties**

List of related parties with significant transactions and number of transactions in the period/year:

Related parties	Relationship
Mr Pham Van Thuy	Chairman of Board of Directors
Mr Lai Van Quan	Chairman of Board of Directors
Mr Phan Hong Ngoc	General Director and member of Board of Directors
Mr Pham Xuan Huy	Vice General Director cum Member of Board of Directors
Mr Trinh Van Thuy	Vice General Director cum Member of Board of Directors
Mr Luong Ba Minh	Vice General Director cum Member of Board of Directors
Mr Nguyen Duy Duong	Vice General Director
Mr Phan Anh Tuan	Chief Accountant cum Member of the Board of Directors
Mr Pham Anh Tu	Chief Supervisor

CONSTRUCTION JOINT STOCK COMPANY NO.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN

For the fiscal year ended December 31, 2021

Mr To Van Tuyen	Member of Board of supervisor
Mr Nguyen Van Hoan	Member of Board of supervisor
Ms Le Thi Ngoc	Mr Pham Xuan Huy's wife (Vice General Director)
Ms Nguyen Thi Hanh	Mr Phan Anh Tuan's wife (Chief Accountant)
Ms Dam Thi Kim Cuc	Mr Luong Ba Minh (Vice General Director)
Ms Le Thi Hai Yen	Mr Pham Van Thuy's sister-in-law (Chairman of Board of Directors)
Ms Phan Thi Thanh Hai	Mr Phan Hong Ngoc's mother (General Director)

3.2 Transactions with related parties

a. Transactions with key management members are as follows:

Related parties	Income	Transaction value	
		Current year	Previous year
Mr Pham Van Thuy	Bonus, Allowance, Salary	182,421,310	-
Mr Lai Van Quan	Bonus, Allowance, Salary	138,675,946	252,373,272
Mr Phan Hong Ngoc	Bonus, Allowance, Salary	159,028,410	-
Mr Pham Xuan Huy	Bonus, Allowance, Salary	291,851,892	246,531,140
Mr Luong Ba Minh	Bonus, Allowance, Salary	267,596,176	179,960,522
Mr Nguyen Duy Duong	Bonus, Allowance, Salary	117,923,018	-
Mr Trinh Van Thuy	Bonus, Allowance, Salary	329,308,616	173,078,423
Mr Phan Anh Tuan	Bonus, Allowance, Salary	244,917,285	179,205,195
Mr Pham Anh Tu	Bonus, Allowance, Salary	199,068,451	141,692,006
Mr To Van Tuyen	Bonus, Allowance, Salary	192,582,379	131,551,262
Mr Nguyen Van Hoan	Bonus, Allowance, Salary	151,157,073	114,977,353
Total		2,274,530,555	1,419,369,173

b. Transactions with related parties

During the year, the Company had the following major transactions with related parties:

Related parties	Transaction nature	Transaction value	
		Current year	Previous year
Mr Lai Van Quan	Borrowing	700,000,000	2,007,000,000
	Loan payment	1,400,000,000	-
Ms Le Thi Ngoc	Borrowing	-	4,000,000,000
	Loan payment	2,000,000,000	4,000,000,000
Ms Nguyen Thi Hanh	Borrowing	350,000,000	4,000,000,000
	Loan payment	-	700,000,000
Ms Dam Thi Kim Cuc	Debt transferred from Phu Ly Stone One Member Co., Ltd	-	1,777,605,955
	Borrowing	3,200,000,000	4,000,000,000
	Loan payment	2,000,000,000	1,000,000,000
Ms Le Thi Hai Yen	Borrowing	1,000,000,000	-
Ms Phan Thi Thanh Hai	Borrowing	2,000,000,000	-

CONSTRUCTION JOINT STOCK COMPANY NO.6**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN***For the fiscal year ended December 31, 2021***c. Balance with related parties**

As at 31 December 2021, the Company had the following balances with related parties.

	<u>Closing balance</u>	<u>Opening balance</u>
<u>Payables</u>		
<i>Mr Lai Van Quan</i>		
Loan payable	1,307,000,000	2,007,000,000
<i>Ms Le Thi Ngoc</i>		
Loan payable	-	2,000,000,000
<i>Ms Nguyen Thi Hanh</i>		
Loan payable	350,000,000	-
<i>Ms Dam Thi Kim Cuc</i>		
Loan payable	1,200,000,000	-
Other payable	-	1,777,605,955
<i>Ms Le Thi Hai Yen</i>		
Loan payable	1,000,000,000	-
<i>Ms Phan Thi Thanh Hai</i>		
Loan payable	2,000,000,000	-
Total	<u><u>2,857,000,000</u></u>	<u><u>5,784,605,955</u></u>

Pricing policy for transactions between the Company and other related parties

The prices of goods and services provided to related parties are agreed upon in the contract. Purchases of goods and services from related parties are made at market prices.

Receivables are unsecured and will be paid in cash. No allowance for bad debts has been made for receivables from related parties.

4. Comparative information

Comparative figures are those of the Financial Statements for the fiscal year ended December 31, 2020 audited by BDO Audit Services Co., Ltd.

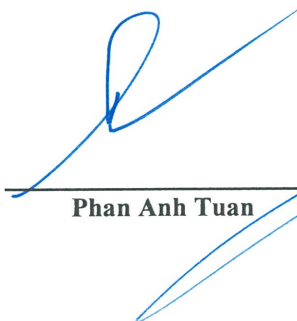
Prepared on March 18, 2022

Preparer



Lai Hoai Trang

Chief Accountant



Phan Anh Tuan

General Director



Phan Hong Ngoc

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