

**CONSOLIDATED FINANCIAL STATEMENTS**

**VIETNAM MACHINERY INSTALLATION CORPORATION - JSC**

For the fiscal year ended as at 31/12/2020

(Audited)



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## **VIETNAM MACHINERY INSTALLATION CORPORATION - JSC**

No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi, Vietnam

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### **REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management of Vietnam Machinery Installation Corporation - JSC ("the Corporation") presents its report and the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31 December 2020.

#### **THE CORPORATION**

Vietnam Machinery Installation Corporation - JSC was established on the basis of the equitization of Vietnam Machinery Installation Corporation – Co., Ltd under the Prime Minister's Decision No.1036/QD-TTg dated 10 July 2015 about the equitization plan of Vietnam Machinery Installation Corporation.

Vietnam Machinery Installation Corporation – Co., Ltd as a State-owned enterprise directly under management of the Ministry of Construction, was incorporated under Decision No.999/BXD - TCLD dated 01 December 1995 of the Minister of Construction and operates under the corporation model in accordance with Enterprise Registration Certificate No.0100106313 first registered on 01 September 2010.

Under the second amended Enterprise Registration Certificate dated 06 April 2016 issued by Hanoi Authority for Planning and Investment, Vietnam Machinery Installation Corporation – Co., Ltd was officially transformed into a joint stock company named Vietnam Machinery Installation Corporation – JSC.

The Corporation's head office is located at: No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi, Vietnam.

#### **BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION**

The members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Bui Duc Kien	Chairman	Appointed on 01 November 2020
Mr. Nguyen Dinh Hai	Chairman	Resigned on 01 November 2020
Mr. Le Van Tuan	Member	
Mr. Nguyen Van Hung	Member	
Mr. Nguyen Huu Thanh	Member	

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr. Le Van Tuan	Chief Executive Officer	
Mr. Tran Dinh Dai	Deputy Chief Executive Officer	
Mr. Le Quoc An	Deputy Chief Executive Officer	
Mr. Nguyen Van Hung	Deputy Chief Executive Officer	
Mr. Nguyen Manh Dung	Deputy Chief Executive Officer	
Mr. Nguyen Huu Thanh	Deputy Chief Executive Officer	
Mr. To Phi Son	Chief Accountant	Appointed on 01 November 2020
Mr. Bui Duc Kien	Chief Accountant	Resigned on 01 November 2020

The members of the Board of Supervision are:

Mrs. Nguyen Thi Thu Trang	Head of Control Department
Mrs. Le Thi Thu Hong	Member
Mrs. Tran Thuong Huyen	Member

#### **AUDITORS**

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Corporation.

**STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Management is responsible for the Consolidated Financial Statements which give a true and fair view of the financial position of the Corporation, its operating results and its cash flows for the year. In preparing those Consolidated Financial Statements, The Board of Management is required to:

- Establish and maintain an internal control system which is determined necessary by The Board of Management and Board of Directors to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by error or fraud;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Corporation, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of Management, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020, its operations and cash flows in the year 2020 of the Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and statutory requirements relevant to preparation and presentation of Consolidated Financial Statements.

**Other commitments**


The Board of Management pledges that the corporation complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the Corporation does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of Directors



**Bui Duc Kien**  
Chairman

Hanoi, 30 March 2021

For and on behalf of The Board of Management 



**Le Van Tuan**  
Chief Executive Officer

No.: 080421.001/BCTC.KT2

## INDEPENDENT AUDITORS' REPORT

**To: Shareholders, The Board of Directors and The Board of Management  
Vietnam Machinery Installation Corporation - JSC**

We have audited the accompanying Consolidated financial statements of Vietnam Machinery Installation Corporation - JSC, as set out on pages 06 to 52, including: Consolidated statement of financial position as at 31/12/2020, Consolidated statement of income, Consolidated statement of cash flows and Notes to the Consolidated financial statements for the fiscal year ended as at 31 December 2020.

### The Board of Management's Responsibility

The Board of Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements and for such internal control as 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 error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements; 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 auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Consolidated Financial Statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Board of 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 audit opinion.

### Basis for qualified opinion

In the comparative data on the Corporation's 2020 Consolidated Financial Statements, the "Revenue from financial activities" in 2019 is recording about VND 209 billion as profit from the divestment transaction at the Lisemco Joint Stock Company ("Lisemco" - formerly a subsidiary of the Corporation) is calculated based on Lisemco's unaudited financial statements for the year ended 31/12/2018. At the same time, the Corporation's Consolidated statement of income for the year 2019 does not include Lisemco's business results from January 1, 2019 to February 26, 2019 (the day that the Corporation divested all capital at Lisemco). We have not collected financial information, reviewed and audited financial statements for the aforementioned operating period and fiscal year, nor fully perform other necessary alternative procedures. Accordingly, we were unable to determine whether it is necessary to adjust the comparative figures on this year's Consolidated Financial Statements.

## Qualified opinion

In our review, except the effect of a basis for qualified opinion which are described above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial statements does not give a true and fair view, in all material respects of the financial position of Vietnam Machinery Installation Corporation - JSC as at 31 December 2020, its operating results and cash flows for the fiscal year ended as at 31 December 2020, in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial statements.

## Emphasis of matter

We would like to note readers to Note 2.3 - Basis of preparing Consolidated Financial statements, at the time of issuing this report, the work related to the finalization of equitization of the Corporation is still being carried out and the Corporation has not received any decision from the competent authority on approving the settlement of the value of state capital at the time the Corporation is officially transformed into a joint stock company.

The emphasis of matter does not change our qualified opinion.

## Other matter

Consolidated Financial Statements for the fiscal year ended as at 31 December 2019 of Vietnam Machinery Installation Corporation - JSC were reviewed and audited by Deloitte Vietnam Company Limited. The auditor made the qualified opinion that the Corporation's Consolidated Financial Statements had recorded profit from Lisemco divestment which was calculated based on Lisemco's unaudited financial statements for the fiscal year ended as at 31 December 2018, and the Corporation's Consolidated Financial Statements did not include Lisemco's business results from January 1, 2019 to February 26, 2019.

## AASC Auditing Firm Company Limited



**Vũ Xuân Bien**

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

*Hanoi, 08 April 2021*

**Ngô Hoàng Hà**

Auditor

Certificate of registration to audit practice

No: 3999-2018-002-1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2020*

Code	ASSETS	Note	31/12/2020	01/01/2020
			VND	VND
100	<b>A. CURRENT ASSETS</b>		<b>6,720,805,598,775</b>	<b>7,049,138,362,236</b>
110	<b>I. Cash and cash equivalents</b>	3	<b>895,879,299,471</b>	<b>1,079,229,768,393</b>
111	1. Cash		502,631,392,437	661,477,751,770
112	2. Cash equivalents		393,247,907,034	417,752,016,623
120	<b>II. Short-term investments</b>	4	<b>3,463,000,000</b>	<b>14,973,000,000</b>
123	1. Held to maturity investments		3,463,000,000	14,973,000,000
130	<b>III. Short-term receivables</b>		<b>4,957,417,353,136</b>	<b>4,700,862,945,654</b>
131	1. Short-term trade receivables	5	4,403,195,695,631	4,032,141,838,012
132	2. Short-term prepayments to suppliers	6	814,318,102,070	893,479,145,797
135	3. Short-term loan receivables	7	377,105,669,770	377,105,669,770
136	4. Other short-term receivables	8	569,941,777,157	564,374,282,182
137	5. Provision for short-term doubtful debts		(1,207,143,891,492)	(1,166,237,990,107)
140	<b>IV. Inventories</b>	10	<b>753,162,333,899</b>	<b>1,126,330,178,774</b>
141	1. Inventories		753,162,333,899	1,126,330,178,774
150	<b>V. Other short-term assets</b>		<b>110,883,612,269</b>	<b>127,742,469,415</b>
151	1. Short-term prepaid expenses	16	3,622,013,581	5,636,181,051
152	2. Deductible VAT		71,753,631,035	86,349,575,355
153	3. Taxes and other receivables from State budget	18	35,507,967,653	35,756,713,009
200	<b>B. NON-CURRENT ASSETS</b>		<b>1,027,779,713,674</b>	<b>1,126,277,779,658</b>
210	<b>I. Long-term receivables</b>		<b>9,585,300,000</b>	<b>9,585,300,000</b>
216	1. Other long-term receivables	8	9,585,300,000	9,585,300,000
220	<b>II. Fixed assets</b>		<b>199,930,047,033</b>	<b>231,935,272,193</b>
221	1. Tangible fixed assets	12	162,527,844,540	188,099,836,019
222	- Historical costs		764,426,562,828	768,488,102,103
223	- Accumulated depreciation		(601,898,718,288)	(580,388,266,084)
224	2. Finance lease fixed assets	13	20,733,797,728	26,615,841,745
225	- Historical costs		26,999,052,728	36,265,392,728
226	- Accumulated depreciation		(6,265,255,000)	(9,649,550,983)
227	3. Intangible fixed assets	14	16,668,404,765	17,219,594,429
228	- Historical costs		18,370,095,231	18,370,095,231
229	- Accumulated amortization		(1,701,690,466)	(1,150,500,802)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2020**(continue)*

Code	ASSETS	Note	31/12/2020	01/01/2020
			VND	VND
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>22,340,959,530</b>	<b>24,646,115,682</b>
231	- Historical costs		57,127,963,520	57,127,963,520
232	- Accumulated depreciation		(34,787,003,990)	(32,481,847,838)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>11</b>	<b>40,772,441,347</b>	<b>42,410,133,164</b>
242	1. Construction in progress		40,772,441,347	42,410,133,164
<b>250</b>	<b>V. Long-term investments</b>	<b>4</b>	<b>634,503,277,901</b>	<b>625,238,443,343</b>
252	1. Investments in joint ventures and associates		398,787,382,716	482,338,197,081
253	2. Equity investments in other entities		255,227,056,322	162,410,715,985
254	3. Provision for devaluation of long-term investments		(19,831,161,137)	(19,830,469,723)
255	4. Held to maturity investments		320,000,000	320,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>120,647,687,863</b>	<b>192,462,515,276</b>
261	1. Long-term prepaid expenses	16	120,477,420,333	183,949,487,629
262	2. Deferred income tax assets		-	8,284,339,188
269	3. Good will		170,267,530	228,688,459
<b>270</b>	<b>TOTAL ASSETS</b>		<b><u>7,748,585,312,449</u></b>	<b><u>8,175,416,141,894</u></b>

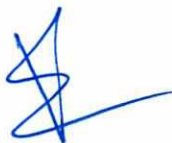


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

(continue)

Code	CAPITAL	Note	31/12/2020 VND	01/01/2020 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,646,454,663,929</b>	<b>7,044,142,613,118</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>6,623,027,303,764</b>	<b>7,017,593,278,240</b>
311	1. Short-term trade payables	17	3,813,409,244,107	3,927,857,773,883
312	2. Short-term prepayments from customers	19	272,979,404,499	530,768,728,222
313	3. Taxes and other payables to State budget	18	20,573,783,563	16,484,997,034
314	4. Payables to employees		53,464,433,705	107,515,020,621
315	5. Short-term accrued expenses	20	638,173,510,917	949,936,030,476
318	6. Short-term unearned revenue	21	809,973,279	1,956,363,466
319	7. Other short-term payables	22	141,063,707,377	111,418,112,299
320	8. Short-term borrowings and finance lease liabilities	24	1,600,623,244,957	1,303,896,127,648
321	9. Provisions for short-term payables	23	12,993,580,874	6,387,782,770
322	10. Bonus and welfare fund		68,936,420,486	61,372,341,821
<b>330</b>	<b>II. Non-current liabilities</b>		<b>23,427,360,165</b>	<b>26,549,334,878</b>
333	1. Long-term accrued expenses	20	1,588,264,113	1,588,264,113
336	2. Long-term unearned revenue	21	16,269,242,771	16,884,282,804
337	3. Other long-term payables	22	883,626,839	918,582,854
338	4. Long-term borrowings and finance lease liabilities	24	2,758,498,711	7,158,205,107
341	5. Deferred income tax liabilities		1,927,727,731	-
<b>400</b>	<b>D. OWNER'S EQUITY</b>		<b>1,102,130,648,520</b>	<b>1,131,273,528,776</b>
<b>410</b>	<b>I. Owner's equity</b>	<b>25</b>	<b>1,100,236,300,960</b>	<b>1,128,512,181,216</b>
411	1. Contributed capital		797,261,040,000	797,261,040,000
411a	Ordinary shares with voting rights		797,261,040,000	797,261,040,000
414	2. Other capital		1,694,624,230	1,694,624,230
416	3. Differences upon asset revaluation		(32,374,321,082)	(32,374,321,082)
417	4. Exchange rate differences		(6,110,062,292)	(5,099,198,308)
418	5. Development investment funds		79,898,136,779	61,017,446,779
420	6. Other reserves		18,290,851	18,290,851
421	7. Retained earnings		229,685,600,129	237,458,959,757
421a	Retained earnings accumulated till the end of the previous year		171,124,611,548	321,853,111,747
421b	Retained earnings of the current year		58,560,988,581	(84,394,151,990)
429	9. Non controlling interest		30,162,992,345	68,535,338,989
<b>430</b>	<b>II. Non-business funds and other funds</b>		<b>1,894,347,560</b>	<b>2,761,347,560</b>
431	1. Non-business funds		1,894,347,560	2,761,347,560
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>7,748,585,312,449</b>	<b>8,175,416,141,894</b>



Lai Viet Tan

Preparer

Hanoi, 30 March 2021



To Phi Son

Chief Accountant



Le Van Tuan

Chief Executive Officer

**CONSOLIDATED STATEMENT OF INCOME**

Year 2020

Code ITEM	Note	Year 2020	Year 2019	
		VND	VND	
01	1. Revenue from sales of goods and rendering of services	27	6,060,290,336,680	7,041,806,938,252
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		6,060,290,336,680	7,041,806,938,252
11	4. Cost of goods sold	28	5,785,105,614,080	6,629,783,808,060
20	5. Gross profit from sales of goods and rendering of services		275,184,722,600	412,023,130,192
21	6. Financial income	29	96,991,828,153	485,010,835,137
22	7. Financial expense	30	196,632,676,774	356,357,701,252
23	<i>In which: Interest expenses</i>		130,032,961,842	176,676,585,861
24	8. Share of joint ventures and associates' profit or loss		7,804,544,128	(8,514,623,439)
25	9. Selling expenses		-	687,479,049
26	10. General and administrative expense	31	144,437,209,821	705,623,405,525
30	11. Net profit from operating activities		38,911,208,286	(174,149,243,936)
31	12. Other income	32	6,105,665,561	44,399,658,663
32	13. Other expense	33	2,133,050,352	4,030,010,773
40	14. Other profit		3,972,615,209	40,369,647,890
50	15. Total net profit before tax		42,883,823,495	(133,779,596,046)
51	16. Current corporate income tax expenses	34	11,444,204,683	24,568,689,381
52	17. Deferred corporate income tax expenses		10,212,066,921	(72,197,438,522)
60	18. Profit after corporate income tax		<u>21,227,551,891</u>	<u>(86,150,846,905)</u>
61	19. Profit after tax attributable to owners of the parent		58,560,988,581	(84,394,151,990)
62	20. Profit after tax attributable to non-controlling interest		(37,333,436,690)	(1,756,694,915)
70	21. Basic earnings per share	35	735	(1,186)



Lai Viet Tan

Preparer

Hanoi, 30 March 2021



To Phi Son

Chief Accountant



Le Van Tuan

Chief Executive Officer

**CONSOLIDATED STATEMENT OF CASH FLOWS**Year 2020  
(Indirect method)

Code ITEM	Note	Year 2020	Year 2019
		VND	VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	1. Profit before tax	42,883,823,495	(133,779,596,046)
	2. Adjustments for		
02	- Depreciation and amortization of fixed assets and investment properties	36,933,107,173	98,946,198,852
03	- Provisions	47,512,390,903	659,745,165,102
04	- Foreign exchange gain/loss arising from translating foreign currency items	6,999,321,867	(1,309,839,930)
05	- Gain/loss from investing activities	(55,226,869,490)	(449,291,333,679)
06	- Interest expense	130,032,961,842	176,676,585,861
08	3. Operating profit before changes in working capital	209,134,735,790	350,987,180,160
09	- Increase or decrease in receivables	(257,556,165,960)	(1,459,391,073,768)
10	- Increase or decrease in inventories	373,167,844,875	(683,842,538,526)
11	- Increase or decrease in payables (excluding accrued loan interest and corporate income tax	(751,023,074,128)	859,632,890,732
12	- Increase or decrease in prepaid expenses	65,486,234,766	(6,839,214,205)
14	- Interest paid	(96,279,075,968)	(194,015,803,587)
15	- Corporate income tax paid	(16,611,306,080)	(22,013,373,687)
17	- Other cash outflows	(3,495,553,000)	(5,896,344,683)
20	Net cash flows from operating activities	(477,176,359,705)	(1,161,378,277,564)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase or construction of fixed assets and other long-term assets	(447,110,910)	(28,797,599,819)
22	2. Proceeds from disposals of fixed assets and other long-term assets	4,380,781,409	482,435,410
23	3. Loans and purchase of debt instruments from other entities	(1,930,000,000)	(38,854,753,574)
24	4. Collection of loans and resale of debt instrument of other entities	13,440,000,000	52,270,000,000
26	5. Proceeds from equity investment in other entities	-	206,724,224,453
27	6. Interest and dividend received	18,883,072,061	35,432,592,822
30	Net cash flows from investing activities	34,326,742,560	227,256,899,292
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	1. Proceeds from borrowings	3,681,262,868,528	4,160,108,173,845
34	2. Repayment of principal	(3,388,542,057,619)	(4,196,644,671,915)
35	3. Repayment of financial principal	(393,399,996)	(28,771,502,789)
36	4. Dividends or profits paid to owners	(31,839,960,975)	(38,143,917,165)
40	Net cash flows from financing activities	260,487,449,938	(103,451,918,024)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*Year 2020*  
*(Indirect method)*

Code ITEM	Note	Year 2020	Year 2019
		VND	VND
50	Net cash flows in the year	(182,362,167,207)	(1,037,573,296,296)
60	Cash and cash equivalents at the beginning of the year	1,079,229,768,393	2,116,695,471,604
61	Effect of changes in foreign exchange rates	(988,301,715)	107,593,085
70	Cash and cash equivalents at the end of the year	<u>895,879,299,471</u>	<u>1,079,229,768,393</u>





Lai Viet Tan  
Preparer

To Phi Son  
Chief Accountant

Le Van Tuan  
Chief Executive Officer

Hanoi, 30 March 2021

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year 2020

### 1 . GENERAL INFORMATION

#### Form of Ownership

Vietnam Machinery Installation Corporation - JSC was established on the basis of the equitization of Vietnam Machinery Installation Corporation – Co., Ltd under the Prime Minister's Decision No.1036/QD-TTg dated 10 July 2015 about the equitization plan of Vietnam Machinery Installation Corporation.

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The Corporation's head office is located at: No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi, Corporation's Charter capital: VND 797.261.040.000. Equivalent to 79.726.104 shares with the price of VND 10.000 per share.

The number of employees of the Corporation as at 31 December 2020 is: 580 (as at 31 December 2019:

#### Business field

The Corporation's principal activities are to execute and build construction works.

#### Business activities

Main business activities of the Corporation include:

- Production, business and construction according to the State's plannings and plans for construction development, including the domains of construction and installation of machinery and equipment;
- Acting as EPC general contractor in building civil, industrial, transportation, irrigation, post office, urban and industrial zone infrastructure constructions, line constructions for transformer stations;
- Investment and construction of works including: industrial (hydropower, thermal power, cement, petrochemical, paper and steel), civil, transportation, irrigation, water supply and drainage and urban
- Trading in real estate, tourism, travel, hotels, restaurants and amusement parks; transportation of cargo and super-heavy equipment, leasing of construction equipment;
- Construction consultancy, general contractor of all or part of investments projects in industry, civil and technical infrastructure works such as: project formulation, designing (only within the field of registered industry) and set up total cost estimate, supervision consultancy, project management, supply of technology and automatic control equipment;
- Designing, manufacturing equipment and processing steel structures for industrial and civil projects;
- Building and repairing ships and boats for river and sea transportation;
- Inspection, testing, adjustment of electrical equipment, automatic control systems, thermal systems for technological lines, monitoring and quality control of welds and mechanical characteristics of materials;

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- Training of technical workers in the professions to serve the Corporation's production and social needs, provision of advanced training and certification to welders; training and implementation of export of Vietnamese labor (within and outside the Corporation) to work abroad for a certain period of time;
- Business, export of materials, machinery, equipment, spare parts, production materials, consumption materials, raw materials for production, consumption, auto-technological lines, consumer goods, motor vehicle, acting as agents for domestic and foreign manufacturers of goods for production and consumption in compliance with laws.

**Normal business and production cycle**

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less, except some specific works of construction and real estate investment with a time period of more than 12 months.

**The Corporation's structure**

**The Corporation's subsidiaries have consolidated in Consolidated Financial Statements as at 31/12/2020 include :**

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Proportion of voting rights</u>	<u>Principal activities</u>
Lilama South East Asia SDN BHD Co., Ltd	Brunei	99.00%	99.00%	Construction and installation
Lilama 5 Joint Stock Company	Thanh Hoa	51.00%	51.00%	Construction and installation
Lilama 7 Joint Stock Company	Da Nang	51.00%	51.00%	Construction and installation
Lilama Erection Mechanical Joint Stock Company	Ninh Binh	51.00%	51.00%	Construction and installation
LHT International Consulting Joint Stock Company	Hanoi	60.00%	60.00%	Industrial factory design consulting

**The Corporation's associates have consolidated in Consolidated Financial Statements as at 31/12/2020 include :**

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Proportion of voting rights</u>	<u>Principal activities</u>
Lilama 10 Joint Stock Company	Hanoi	36.00%	36.00%	Construction and installation
Lilama 18 Joint Stock Company	Ho Chi Minh City	36.00%	36.00%	Construction and installation
Lilama 69.1 Joint Stock Company	Bac Ninh	41.10%	41.10%	Construction and installation
Lilama 69.3 Joint Stock Company	Hai Duong	36.00%	36.00%	Construction and installation
Lilama Engineering Construction and Technology JSC	Hanoi	45.45%	45.45%	Design consulting
Lilama 45.3 Joint Stock Company	Quang Ngai	40.83%	40.83%	Construction and installation
Erection - Electromechanics Testing Joint Stock Company	Hanoi	36.18%	36.18%	Technological line testing
Lilama 45.1 Joint Stock Company	Ho Chi Minh City	36.00%	36.00%	Construction and installation
Lilama 45.4 Joint Stock Company	Dong Nai	35.06%	35.06%	Construction and installation
Lilama Land JSC	Hanoi	27.93%	27.93%	Real estate business

## 2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

### 2.1 . Accounting period and accounting currency

Annual accounting period commences from 1st January and ends as at 31st December.

The Corporation maintains its accounting records in VND.

### 2.2 . Standards and Applicable Accounting Policies

#### *Applicable Accounting Policies*

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

#### *Declaration of compliance with Accounting Standards and Accounting System*

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

### 2.3 . Basis for preparation of consolidated financial statements

The consolidated financial statements incorporate the separate financial statements of the Corporation and the financial statements of its subsidiaries up to 31 December each year. Control is achieved where the Corporation has the power to govern the financial and operating policies of investee enterprise so as to obtain benefits from its activities.

Vietnam Machinery Installation Corporation – JSC was incorporated under the equitization from Vietnam Machinery Installation Corporation – Co., Ltd under the Prime Minister's Decision No. 1036/QĐ-TTg dated 10 July 2015 approving the equitization plan of Vietnam Machinery Installation Corporation. By the time of issuing these financial statements, all work related to the equitization finalization is ongoing and the Corporation has not received the decision of the competent authority on the approval of the settlement of State capitalization on the official date of transformation into a joint stock company.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Corporation. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Corporation and its subsidiaries.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Corporation.

**2.4 . Basis for converting the subsidiary's financial statements**

Lilama South East Asia SDN BHD Co., Ltd. – a subsidiary of the Corporation uses Brunei Dollar (BND) as presenting currency. For the purpose of preparing the consolidated financial statements for the year ended 31 December 2020 of the Corporation in accordance with the Vietnamese laws, the Corporation has converted the financial statements of Lilama South East Asia SDN BHD Co., Ltd. for the year ended 31 December 2020 prepared in Brunei Dollar (BND) to Vietnam Dong (VND) based on the following principles:

- Assets and liabilities are exchanged into Vietnam Dong at the real closing rate, the transfer rate of the commercial bank where the enterprise regularly has transactions at the reporting date;
- Owner's contributed capital is exchanged into Vietnam Dong at the real transaction rates at the capital contribution dates;
- Retained earnings arising after the investment date are exchanged into Vietnam Dong based on the income statement items;
- Items of the income statement and the cash flow statement are exchanged into Vietnam Dong at the real transaction rates at the dates of the transactions. If the average exchange rate of the accounting period is approximately equal to the real exchange rates at the dates of the transactions (with the difference of no more than 3%), the average exchange rate may be applied.

Exchange differences arising on the conversion of the financial statements prepared in foreign currency into Vietnam Dong are presented in the "Exchange rate differences" line item with the code 417 under the "Equity" section in the consolidated balance sheet.

**2.5 . Financial Instruments**

*Initial recognition*

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

*After initial recognition*

There are currently no regulations on revaluation of financial instruments after initial recognition.

**2.6 . Foreign currency transactions**

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Corporation and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Corporation expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Corporation makes payments.



Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Corporation regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Corporation opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Corporation regularly conducts transaction.

All real exchange rate differences arising during the year and differences arising from revaluation of balances of monetary items denominated in foreign currencies at the end of the year are charged to the income statement of the fiscal year. Therefore, exchange rate difference gains due to revaluation of year-end balance of monetary items denominated in foreign currencies cannot be used for profit distribution or

## **2.7 . Cash and cash equivalents**

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

## **2.8 . Business combination and goodwill**

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. If the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. After initial recognition, goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis during its estimated useful life over 10 years. Annually, the Corporation shall assess impairment loss of goodwill at subsidiaries, whether there is any indication that impaired loss of goodwill is higher than the goodwill allocated, the Corporation shall recognise the impaired loss immediately in year that incurred.

## 2.9 . Financial investments

*Investments held to maturity* comprise term deposits (including treasury bills and promissory notes), bonds, preference shares which the issuer is required to repurchase at a certain time in the future and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Corporation's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Corporation will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Corporation's consolidated financial statements and use the consistent accounting policies with the Corporation's policies. Adjustment shall be made if necessary to ensure the consistence with the Corporation's accounting policies.

Provision for devaluation of investments is made at the end of the year as follows:

- With regard to investments held long-term (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity, the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

## 2.10 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Corporation.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

**2.11 . Inventories**

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated by specification price.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the fiscal year: The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the fiscal year is based on the excess of original cost of inventory over their net realizable value.

**2.12 . Fixed assets, Finance lease fixed assets**

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

The historical cost of finance lease fixed assets is recognised at the lower of fair value and present value of the minimum lease payments plus any directly attributable costs incurred related with finance lease (exclusive of value added tax). During the using time, finance lease fixed assets are recorded at historical cost, accumulated depreciation and carrying amount. Finance lease fixed assets are depreciated over the lease term and charged to operating expenses in order to fully recover the capital.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings and structures	04 - 40 years
- Machinery, equipment	03 - 15 years
- Vehicles, Transportation equipment	03 - 20 years
- Office equipment and furniture	03 - 08 years
- Other fixed assets	03 - 10 years
- Land use rights	No depreciation
- Management software	03 - 05 years

**2.13 . Construction in progress**

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

**2.14 . Operating lease**

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the fiscal year of the lease.

**2.15 . Prepaid expenses**

The expenses incurred but related to operating results of several the fiscal years are recorded as prepaid expenses and are allocated to the operating results in the following the fiscal years.

The calculation and allocation of long-term prepaid expenses to operating expenses in each the fiscal year should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

**2.16 . Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Coporation.

**2.17 . Borrowings and finance lease liabilities**

The value of finance lease liabilities is recognized at the payable amount equal to the present value of minimum lease payments or the fair value of leased assets.

Borrowings and finance lease liabilities shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

**2.18 . Borrowing costs**

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

**2.19 . Accrued expenses**

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting year, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, etc. which are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

## **2.20 . Provision for payables**

Provision for payables is only recognized when meeting all of the following conditions:

- The Corporation have a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the accounting year.

Only expenses related to the previously recorded provision for payable shall be offset by that provision for payable.

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting year but not used up exceeds the one made for the current accounting year, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the fiscal year.

## **2.21 . Unearned revenues**

Unearned revenues include prepayments from customers for one or many the fiscal year relating to asset leasing.

Unearned revenues are transferred to revenue from sale of goods and rendering of services or financial income with the amount corresponding to each the fiscal year.

## **2.22 . Owner's equity**

Owner's equity is stated at actually contributed capital of owners.

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

Differences arising from asset revaluation shall be recorded when having the decision of State on asset revaluation; or when carrying out the equitization of State-owned enterprises and other cases in accordance with the provisions of the law.

Retained earnings are used to present the Corporation's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Corporation. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Corporation's Charter of Incorporation and Vietnamese statutory requirements.

The Corporation's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- Bonus and welfare fund and bonus for the Board of Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Consolidated Statement of Financial Position.

Dividends to be paid to shareholders are recognised as a payable in Consolidated Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

## 2.23 . Revenue

### *Sales of goods*

Revenue from the sale of goods shall be recognised when all of the following conditions have been satisfied:

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

### *Rendering of services*

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.

### *Revenue from construction contract*

- In case the construction contract specifies that the contractor shall be entitled to payment based on the volume of work completed, when the outcome of construction contract can be estimated reliably and confirmed by customers, revenues and expenses associated to construction contract shall be recognized by reference to the stage of completion confirmed by the customer during the year and presented on the issued invoices.

*Financial income*

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when:

- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Corporation's right to receive dividend is established.

**2.24 . Cost of goods sold**

The recognition of cost of goods sold is matched against the revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year.

**2.25 . Financial expenses**

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

**2.26 . Corporate income tax**

a) Deferred income tax asset

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits.

Deferred income tax asset is determined according to the current tax rate (or the tax rate expected to change in the future if the reversal of the deferred income tax asset during the effective period of the new tax rate), are based on the tax rates and tax law in effect at the end of the fiscal year.

b) Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during year, and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary difference, the taxable temporary differences and income tax rate.

c) Current corporate income tax rate

The Corporation applies the corporate income tax rate of 20% for the operating activities which has taxable income for the fiscal year ended as at 31 December 2020.

The Corporate income tax rate at Lilama South East Asia Co., Ltd. SDN BHD is applied according to the regulations of the host country.

**2.27 . Earnings per share**

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the year.

**2.28 . Related Parties**

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Corporation's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Corporation, or being under common control with the Corporation, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Corporation that have a significant influence on the Corporation, key management personnel including directors and employees of the Corporation, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

**2.29 . Segment information**

A segment is a distinguishable component of the Corporation that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Corporation in order to help users of financial statements better understand and make more informed judgements about the Corporation as a whole.



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**3 . CASH AND CASH EQUIVALENTS**

	<u>31/12/2020</u>	<u>01/01/2020</u>
	VND	VND
Cash on hand	3,307,332,434	3,295,503,829
Demand deposits	499,324,060,003	658,140,447,941
Cash in transit	-	41,800,000
Cash equivalents	393,247,907,034	417,752,016,623
	<u><u>895,879,299,471</u></u>	<u><u>1,079,229,768,393</u></u>

As at 31/12/2020, cash equivalents are deposits with term less than 3 months with a value of VND 393,247,907,034 deposited at commercial banks at the interest rate specified in each term deposit contract term.

**4 . FINANCIAL INVESTMENTS**
**a) Held to maturity investments**

	<u>31/12/2020</u>		<u>01/01/2020</u>	
	<u>Original cost</u>	<u>Provision</u>	<u>Original cost</u>	<u>Provision</u>
	VND	VND	VND	VND
Short-term				
- Term deposits (*)	3,463,000,000	-	14,973,000,000	-
- Long-term				
- Bonds	320,000,000	-	320,000,000	-
	<u><u>3,783,000,000</u></u>	<u><u>-</u></u>	<u><u>15,293,000,000</u></u>	<u><u>-</u></u>

(\*) As at 31/12/2020, term deposits are deposits with term over 03 months valued at VND 3,463,000,000 at commercial banks at the interest rate specified in each Term deposit contract.

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**4 . FINANCIAL INVESTMENTS**

**b) Equity investments in associates and joint - ventures**

	31/12/2020			01/01/2020			
	Address	Proportion of ownership	Proportion of voting rights	Book value under the equity method	Proportion of ownership	Proportion of voting rights	Book value under the equity method
				VND			VND
- Lilama 45.1 Joint Stock Company	Ho Chi Minh City	36%	36%	15,558,286,946	36%	36%	15,555,960,661
- Lilama 45.3 Joint Stock Company	Quang Ngai	41%	41%	19,584,382,577	41%	41%	19,398,863,168
- Lilama 45.4 Joint Stock Company	Dong Nai	35%	35%	-	35%	35%	-
- Lilama Land Joint Stock Company	Hanoi	28%	28%	30,127,739,923	28%	28%	30,112,491,586
- Erection - Electromechanics Testing Joint Stock Company	Hanoi	36%	36%	11,037,893,648	36%	36%	10,278,795,937
- Lilama Technology and Construction Design Consultant JSC	Hanoi	45%	45%	959,438,031	45%	45%	972,261,447
- Lilama Construction Investment Joint Stock Company (*)	Hanoi	0%	0%	-	28%	37%	85,743,171,946
- Lilama 10 Joint Stock Company	Hanoi	36%	36%	94,366,100,883	36%	36%	92,739,241,075
- Lilama 18 Joint Stock Company	Ho Chi Minh City	36%	36%	125,911,278,572	36%	36%	121,604,141,899
- Lilama 69.1 Joint Stock Company	Bac Ninh	41%	41%	56,377,406,640	41%	41%	60,983,979,696
- Lilama 69.3 Joint Stock Company	Hai Duong	36%	36%	44,864,855,496	36%	36%	44,949,289,666
				<b>398,787,382,716</b>			<b>482,338,197,081</b>

(\*) In 2020, Lilama Construction Investment Joint Stock Company increased capital but the Corporation did not contribute more, leading to the rate of interest and voting rate of the Corporation decreased 15.25%. The investments in associatee becomes Equity investments in other entities.

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**4 . FINANCIAL INVESTMENTS**

**c) Equity investments in other entities**

	31/12/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Investments in other entities				
- Petrovietnam Marine Shipyard JSC	19,799,036,703	(19,799,036,703)	19,799,036,703	(19,799,036,703)
- Phu My Trung Viet Joint Stock Company	2,165,892,592	(32,124,434)	2,165,892,592	(31,433,020)
- Hua Na Hydropower Joint Stock Company	85,696,088,606	-	85,696,088,606	-
- Song Thao Cement Joint Stock Company	35,716,560,384	-	35,716,560,384	-
- Thang Long Cement Joint Stock Company	16,169,971,505	-	16,169,971,505	-
- Lilama Construction Investment Joint Stock Company	92,816,340,337	-	-	-
- Lilama Electric Mechanic and Environmental Corporation	2,863,166,195	-	2,863,166,195	-
	<b>255,227,056,322</b>	<b>(19,831,161,137)</b>	<b>162,410,715,985</b>	<b>(19,830,469,723)</b>

The Corporation has not determined the fair value of financial investments since Vietnam Accounting Standards and Vietnam Corporate Accounting System has not had any detailed guidance on the determination of the fair value.

**Investments in other entities**

Name of entities	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
Petrovietnam Marine Shipyard JSC	Vung Tau	4.03%	4.03%	Installation Work
Phu My Trung Viet Joint Stock Company	Da Nang	2.00%	2.00%	Construction
Hua Na Hydropower Joint Stock Company	Nghe An	3.71%	3.71%	Hydroelectric
Song Thao Cement Joint Stock Company	Phu Tho	18.74%	18.74%	Cement Production
Thang Long Cement Joint Stock Company	Quang Ninh	0.71%	0.71%	Cement Production
Lilama Construction Investment Joint Stock Company	Hanoi	15.25%	15.25%	Construction and real estate business
Lilama Electric Mechanic and Environmental Corporation	Hanoi	5.64%	5.64%	Treatment and recycling

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**5 . SHORT - TERM TRADE RECEIVABLES**

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>				
- Petro Vietnam	2,714,055,714,143	-	2,439,990,381,552	-
Song Hau 1 Power Project Management Board - PVN				
- PetroVietNam	484,890,856,579	(287,967,267,795)	482,107,483,291	(260,392,020,104)
Thai Binh 2 Power Project Executive Board - PVC				
- Thyssenkrupp	315,616,813,204	-	239,467,946,932	-
Industrial Solutions BRN SDN BHD				
- Song Thao	93,038,469,571	(93,038,469,571)	103,202,330,026	(103,202,330,026)
Cement JSC				
- Tan Thang	106,364,508,569	-	82,649,983,961	-
Cement JSC				
- Others	689,229,333,565	(79,759,458,800)	684,723,712,250	(79,186,622,321)
	<b>4,403,195,695,631</b>	<b>(460,765,196,166)</b>	<b>4,032,141,838,012</b>	<b>(442,780,972,451)</b>
<b>b) Trade receivables from related parties</b>				
	<b>37,565,902,637</b>	<b>(3,651,641,764)</b>	<b>46,189,781,517</b>	<b>(3,651,641,764)</b>

*details as in Notes 40.*
**6 . SHORT- TERM PREPAYMENTS TO SUPPLIERS**

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term</b>				
- Bach Dang	453,752,587,741	-	453,752,587,741	-
Construction Corporation				
- Vung Ang	46,716,011,731	-	46,716,011,731	-
Thermal Power Project Management Board				
- Lilama 45.1 JSC	46,365,949,049	-	53,671,265,241	-
- Petrovietnam	5,924,601,234	-	33,768,077,581	-
Constructon Joint Stock Corporation				
- Lilama 69.1 JSC	36,779,711,051	-	23,575,090,441	-
- Others	224,779,241,264	(80,361,273,404)	281,996,113,062	(81,692,405,491)
	<b>814,318,102,070</b>	<b>(80,361,273,404)</b>	<b>893,479,145,797</b>	<b>(81,692,405,491)</b>

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**b) Prepayment to suppliers from related parties**

<b>95,986,472,041</b>	-	<b>66,302,562,333</b>	-
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*details as in Notes 40.*
**7 . SHORT - TERM LOAN RECEIVABLES**

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term</b>				
Lilama 45.1 JSC	109,861,383,422	(109,861,383,422)	109,861,383,422	(109,861,383,422)
Lilama 45.3 JSC	25,624,278,455	(25,624,278,455)	25,624,278,455	(25,624,278,455)
Lisemco JSC	227,646,699,893	(227,646,699,893)	227,646,699,893	(227,646,699,893)
Phu My Trung	13,973,308,000	(13,973,308,000)	13,973,308,000	(13,973,308,000)
Viet JSC				
	<b>377,105,669,770</b>	<b>(377,105,669,770)</b>	<b>377,105,669,770</b>	<b>(377,105,669,770)</b>
<b>b) Loan receivables from related parties</b>				
	<b>135,485,661,877</b>	<b>(135,485,661,877)</b>	<b>135,485,661,877</b>	<b>(135,485,661,877)</b>

*details as in Notes 40.*

Including loan receivables to partners in the pre-equitization period, for the purpose of supplementing working capital for production and business activities, in the form of unsecured loans. The Corporation has made a 100% provision for these loans.

**8 . OTHER RECEIVABLES**

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term</b>				
Receivables from equitization	200,000,000	-	200,000,000	-
Dividends and profits receivable	3,131,988,200	(3,131,988,200)	3,131,988,200	(3,131,988,200)
Receivables from interest of deposit, loan	232,805,807,356	(231,527,881,457)	209,134,020,378	(207,278,835,558)
Receivables for recovery of Vung Ang 1 Thermal Power Project (1)	164,169,013,845	-	195,102,922,050	-
Receivables from land use rights at apartment buildings (2)	48,286,685,983	-	49,891,712,464	-
Advances	17,500,601,534	-	18,067,884,593	-
Deposits	2,539,558,818	-	1,000,000,000	-
Others	101,308,121,421	(54,251,882,495)	87,845,754,497	(54,248,118,637)
	<b>569,941,777,157</b>	<b>(288,911,752,152)</b>	<b>564,374,282,182</b>	<b>(264,658,942,395)</b>

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	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>b) Long-term</b>				
Deposits	9,585,300,000	-	9,585,300,000	-
	<u>9,585,300,000</u>	<u>-</u>	<u>9,585,300,000</u>	<u>-</u>
<b>c) Other receivables from related parties</b>				
	<u>49,792,329,569</u>	<u>(3,131,988,200)</u>	<u>36,643,086,316</u>	<u>(3,131,988,200)</u>

*details as in Notes 40.*

(1) Represent the remaining receivables of Rotor troubleshooting of Vung Ang 1 Thermal Power Plant project from the investors who is Vung Ang - Quang Trach Power Project Management Board.

(2) Represent the receivables which the Corporation has advanced to pay the land use right fee in 21-floor apartment building. The Corporation will collect from households.

**9 . BAD DEBTS**

	31/12/2020		01/01/2020	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
<b>a. Trade receivables</b>				
- PetroVietNam Thai Binh 2 Power Project Executive Board - PVC	352,309,512,406	64,342,244,611	260,392,020,104	-
- Song Thao Cement Joint Stock Company	93,038,469,571	-	103,202,330,026	-
- Hua Na Hydropower Joint Stock Company	20,026,382,739	-	20,026,382,739	-
- Song Vang Hydropower Joint Stock Company	15,097,651,580	-	15,097,651,580	-
- Vietnam Construction And Import-Export Joint Stock Corporation	5,606,090,535	-	5,606,090,535	-
- Others	52,536,871,147	14,838,669,288	40,743,519,613	2,287,022,146
<b>b. Loan receivables</b>				
- Phu My Trung Viet JSC	13,973,308,000	-	13,973,308,000	-
- Lilama 45.1 JSC	109,861,383,422	-	109,861,383,422	-
- Lilama 45.3 JSC	25,624,278,455	-	25,624,278,455	-
- Lisemco JSC	227,646,699,893	-	227,646,699,893	-
<b>c. Other short-term receivables</b>				
- Phu My Trung Viet JSC	11,112,235,998	-	11,112,235,998	-
- Lisemco JSC	144,066,231,662	-	132,278,935,016	-
- Lialama Hanoi JSC	75,867,468,383	-	75,867,468,383	-
- Lilama 45.1 JSC	39,107,456,922	-	28,851,339,949	-
- Lilama 45.3 JSC	6,865,390,447	-	4,659,758,167	-
- Lilama 45.4 JSC	3,131,988,200	-	3,131,988,200	-
- Vien Dong Insurance JSC - Hanoi Branch	8,330,407,947	-	8,330,407,947	-
- Others	430,572,593	-	426,808,735	-

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	31/12/2020		01/01/2020	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
<b>d. Prepayments to suppliers</b>				
- Lisemco JSC	66,898,435,509	-	66,898,435,509	-
- Lialama Hanoi JSC	12,061,005,420	-	12,061,005,420	-
- Cavico Vietnam Company Limited	1,412,449,313	-	1,412,449,313	-
- Others	1,320,515,249	-	1,320,515,249	-
	<u>#####</u>	<u>79,180,913,899</u>	<u>1,168,525,012,253</u>	<u>2,287,022,146</u>

**10 . INVENTORIES**

	31/12/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Goods in transit	770,230,742	-	-	-
Raw materials	7,788,649,617	-	23,111,467,705	-
Tools, supplies	1,381,408,422	-	1,182,774,367	-
Work in process	742,915,213,868	-	1,101,729,105,452	-
Finished goods	306,831,250	-	306,831,250	-
	<u>753,162,333,899</u>	<u>-</u>	<u>1,126,330,178,774</u>	<u>-</u>

**Construction in progress:**

	31-12-20	01/01/2020
	VND	VND
- Song Hau 1 Thermal Power Plant	322,593,718,943	566,167,406,819
- Thai Binh 2 Thermal Power Plant	36,443,231,054	54,825,142,768
- A/U Brunei Nitrogen Fertilizer Plant	10,737,816,370	199,187,192,949
- Long Phu Thermal Power Plant	-	17,408,069,859
- Vung Ang 1 Thermal Power Plant	12,334,628,610	12,334,628,610
- Long Phu 1 thermal power plant	28,636,531,369	25,005,891,468
- Xuan Thanh Cement Factory	9,336,934,372	2,063,489,704
- Tan Thang cement works	420,144,868	23,007,724,550
- Other constructions	322,412,208,282	201,729,558,725
	<u>742,915,213,868</u>	<u>1,101,729,105,452</u>

**11 . CONSTRUCTION IN PROGRESS**

	31/12/2020	01/01/2020
	VND	VND
- High-rise housing and office complex Project in District 9, Ho Chi Minh City	35,579,511,953	35,579,511,953
- The Corporation's office building Project at Ring Road 3	4,025,382,349	4,025,382,349
- Renovating workshop to transfer welding rod	1,167,547,045	1,167,547,045
- Other constructions	-	1,637,691,817
	<u>40,772,441,347</u>	<u>42,410,133,164</u>

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**12. TANGIBLE FIXED ASSETS**

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Original cost</b>						
Beginning balance	155,734,733,712	228,534,140,632	334,206,167,673	10,954,511,033	39,058,549,053	768,488,102,103
- Purchase in the year	-	207,500,000	-	109,610,910	-	317,110,910
- Completed construction investment	2,045,655,530	-	-	-	-	2,045,655,530
- Repurchase of financial lease fixed assets	-	-	9,284,340,000	-	-	9,284,340,000
- Liquidation, disposal	-	(2,223,358,622)	(1,229,822,441)	(211,909,091)	(12,298,849,823)	(15,963,939,977)
- Affect of conversion of financial statements	18,294,814	200,163,815	21,102,197	15,733,436	-	255,294,262
<b>Ending balance of the year</b>	<b>157,798,684,056</b>	<b>226,718,445,825</b>	<b>342,281,787,429</b>	<b>10,867,946,288</b>	<b>26,759,699,230</b>	<b>764,426,562,828</b>
<b>Accumulated depreciation</b>						
Beginning balance	93,315,354,316	147,734,291,999	292,464,931,709	9,036,289,069	37,837,398,991	580,388,266,084
- Depreciation for the year	8,355,531,452	9,568,477,912	12,432,857,909	861,710,541	399,724,506	31,618,302,320
- Repurchase of financial lease fixed assets	-	-	5,784,334,091	-	-	5,784,334,091
- Liquidation, disposal	-	(2,198,908,492)	(1,229,822,441)	(210,862,316)	(12,298,849,823)	(15,938,443,072)
- Affect of conversion of financial statements	3,475,487	33,992,724	(58,275,421)	67,066,075	-	46,258,865
<b>Ending balance of the year</b>	<b>101,674,361,255</b>	<b>155,137,854,143</b>	<b>309,394,025,847</b>	<b>9,754,203,369</b>	<b>25,938,273,674</b>	<b>601,898,718,288</b>
<b>Net carrying amount</b>						
Beginning balance	62,419,379,396	80,799,848,633	41,741,235,964	1,918,221,964	1,221,150,062	188,099,836,019
<b>Ending balance</b>	<b>56,124,322,801</b>	<b>71,580,591,682</b>	<b>32,887,761,582</b>	<b>1,113,742,919</b>	<b>821,425,556</b>	<b>162,527,844,540</b>

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 70,851,576,657.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 296,121,853,742.



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**13 . FINANCE LEASE FIXED ASSETS**

	Machinery, equipments VND	Transportation equipment VND	Total VND
<b>Original cost</b>			
As at opening year	23,522,000,000	12,743,392,728	36,265,392,728
Others	-	(9,266,340,000)	(9,266,340,000)
<b>As at closing year</b>	<b>23,522,000,000</b>	<b>3,477,052,728</b>	<b>26,999,052,728</b>
<b>Accumulated depreciation</b>			
As at opening year	4,214,358,319	5,435,192,664	9,649,550,983
Depreciation	1,176,099,996	1,223,938,112	2,400,038,108
Others	-	(5,784,334,091)	(5,784,334,091)
<b>As at closing year</b>	<b>5,390,458,315</b>	<b>874,796,685</b>	<b>6,265,255,000</b>
<b>Net carrying amount</b>			
As at opening year	19,307,641,681	7,308,200,064	26,615,841,745
<b>As at closing year</b>	<b>18,131,541,685</b>	<b>2,602,256,043</b>	<b>20,733,797,728</b>

**14 . INTANGIBLE FIXED ASSETS**

	Land use rights VND	Computer software VND	Total VND
<b>Historical cost</b>			
Beginning balance	16,253,857,047	2,116,238,184	18,370,095,231
<b>Ending balance of the year</b>	<b>16,253,857,047</b>	<b>2,116,238,184</b>	<b>18,370,095,231</b>
<b>Accumulated depreciation</b>			
Beginning balance	-	1,150,500,802	1,150,500,802
- Depreciation for the year	-	551,189,664	551,189,664
<b>Ending balance of the year</b>	<b>-</b>	<b>1,701,690,466</b>	<b>1,701,690,466</b>
<b>Net carrying amount</b>			
Beginning balance	16,253,857,047	965,737,382	17,219,594,429
<b>Ending balance</b>	<b>16,253,857,047</b>	<b>414,547,718</b>	<b>16,668,404,765</b>

**15 . INVESTMENT PROPERTIES**

The Corporation's investment property is the total investment in infrastructure in Bac Vinh Industrial Park, Vinh city, Nghe An Province for the purpose of long-term lease. Historical cost of this investment property is VND 57,127,963,520, accumulated depreciation as of December 31, 2020 is VND 34,787,033,990, depreciation for the year is VND 2,305,156,152, remaining value is VND 22,340,959,530.

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**16 . PREPAID EXPENSES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
Tools and consumables use	106,056,818	112,471,561
Prepaid expenses for Nam Con Son Project	2,706,471,074	5,185,795,336
Prepaid expenses for Long Son Project	188,084,424	84,758,333
Others	621,401,265	253,155,821
	<b><u>3,622,013,581</u></b>	<b><u>5,636,181,051</u></b>
<b>b) Long-term</b>		
Prepaid expenses for Long Son Project	21,888,500,483	-
Prepaid expenses for Van Phong I Project	16,424,030,272	-
Tools and consumables use	9,311,620,989	13,909,981,953
Land leasing expenses	8,343,378,486	8,655,280,482
Prepaid expenses for A/U Brunei Nitrogen Fertilizer Plant	18,917,284,135	127,698,134,890
Difference due to redefining enterprise value	-	1,314,647,443
Prepaid tools and supplies for works and projects	36,864,303,309	29,747,046,003
Others	8,728,302,659	2,624,396,858
	<b><u>120,477,420,333</u></b>	<b><u>183,949,487,629</u></b>

**17 . SHORT-TERM TRADE PAYABLES**

	31/12/2020		01/01/2020	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>a) Trade payables detailed by suppliers with large account balances</b>				
- Doosan Heavy Industries Vietnam Co.,Ltd	1,904,371,912,851	1,904,371,912,851	1,933,239,206,341	1,933,239,206,341
- Babcock & Wilcox Beijing Co., Ltd	290,283,288,661	290,283,288,661	290,633,660,766	290,633,660,766
- Lilama 18 JSC	141,718,306,256	141,718,306,256	203,246,488,561	203,246,488,561
- Joint venture of Toshiba Corporation and Sojitz	191,529,707,251	191,529,707,251	191,760,883,723	191,760,883,723
- National Research Institute of Mechanical Engineering	101,279,171,599	101,279,171,599	120,926,636,101	120,926,636,101
- Petroleum Pipeline and Tank	104,204,313,720	104,204,313,720	101,082,402,954	101,082,402,954
- Others	1,080,022,543,769	1,080,022,543,769	1,086,968,495,437	1,086,968,495,437
	<b><u>3,813,409,244,107</u></b>	<b><u>3,813,409,244,107</u></b>	<b><u>3,927,857,773,883</u></b>	<b><u>3,927,857,773,883</u></b>
<b>b) Trade payables to related parties</b>				
	<b><u>313,893,169,352</u></b>	<b><u>313,893,169,352</u></b>	<b><u>346,282,515,777</u></b>	<b><u>346,282,515,777</u></b>

*details as in Notes 40.*

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**18 . TAX AND PAYABLES FROM STATE BUDGET**

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	17,845,708,540	12,593,214,639	95,892,883,284	94,965,415,785	17,978,447,431	13,653,421,029
Export, import duties	1,743,892,812	-	13,121,079,263	13,121,079,263	1,743,892,812	-
Corporate income tax	16,119,177,316	313,183,219	20,295,781,232	16,611,306,080	15,431,246,005	3,309,727,060
Personal income tax	37,647,357	830,434,131	3,139,597,314	3,285,099,059	344,094,421	991,379,450
Property tax and land rental	-	920,316,540	4,266,938,222	3,848,335,096	-	1,338,919,666
Environmental protection tax	-	-	480,000	480,000	-	-
Other taxes	10,286,984	1,827,848,505	10,083,970,116	10,631,482,263	10,286,984	1,280,336,358
Fees and other obligations	-	-	112,755,448	112,755,448	-	-
	<b>35,756,713,009</b>	<b>16,484,997,034</b>	<b>146,913,484,879</b>	<b>142,575,952,994</b>	<b>35,507,967,653</b>	<b>20,573,783,563</b>

The Corporation's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.



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**19 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
- ThyssenKrupp Industrial	17,987,174,954	226,290,535,362
- Doosan Heavy Industries Vietnam Co., Ltd	-	113,928,726,042
- Branch of South East Project Management Board - Vietnam Gas Corporation - Joint Stock Company	17,786,090,112	62,885,910,137
- Branch of PetroVietnam Technical Services Corporation - Long Phu 1 Thermal Power Manangement Board	40,733,518,297	40,621,122,445
- The main contractor to supply and install accompanying auxiliary equipments for Van Phong 1 Thermal Power Plant	85,705,015,901	-
- TPSK Joint venture - The main contractor for the construction of package A1 - XDNM OLEFINS and related works	46,585,297,517	-
- Others	64,182,307,718	87,042,434,236
	<b>272,979,404,499</b>	<b>530,768,728,222</b>
<b>b) Prepayments from customers to ralated parties</b> <i>details as in Notes 40.</i>	<b>-</b>	<b>5,469,268,939</b>

**20 . ACCRUED EXPENSES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term accrued expenses</b>	<b>638,173,510,917</b>	<b>949,936,030,476</b>
- Accrued interest expenses	42,243,151,625	16,411,037,336
- Management Board of Song Hau 1 PetroVietnam Power Project - PVN	124,404,394,022	479,548,749,238
- Vung Ang 1 Thermal Power Plant Project	113,667,365,179	113,667,365,179
- Thai Binh 2 Thermal Power Project	77,436,110,960	82,419,189,627
- Tan Thang Cement Project	-	12,427,544,471
- A/U Brunei Nitrogen Fertilizer Plant Project	24,857,394,523	65,674,187,212
- Vinh Tan 4 Thermal Power Plant Project	-	1,916,088,883
- Son La Thermal Power Plant Project	-	16,912,136,965
- Nghi Son 2 Thermal Power Plant Project	87,390,128,579	3,624,098,037
- Nam Con Son 2 gas pipeline project	28,003,163,456	-
- Long Son petrochemical refinery project	13,204,882,006	-
- Other accrued expenses	126,966,920,567	157,335,633,528
	<b>638,173,510,917</b>	<b>949,936,030,476</b>
<b>b) Long-term accrued expenses</b>		
- But Son Cement project expense	1,588,264,113	1,588,264,113
	<b>1,588,264,113</b>	<b>1,588,264,113</b>

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**21 . UNREALIZED REVENUES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
- Unearned revenue from office leasing	171,361,819	81,330,000
- Unearned revenue from land leasing	638,611,460	836,228,342
- Unrealized profits when selling to associates	-	1,038,805,124
	<b>809,973,279</b>	<b>1,956,363,466</b>
<b>b) Long-term</b>		
- Unearned revenue from Bac Vinh land leasing	16,269,242,771	16,884,282,804
	<b>16,269,242,771</b>	<b>16,884,282,804</b>

**22 . OTHER PAYABLES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
- Trade union fund	4,687,039,777	3,240,844,566
- Social insurance	26,942,676,592	21,151,727,106
- Health insurance	623,507,596	-
- Unemployment insurance	472,363,675	-
- Payables on equalization	200,000,000	200,000,000
- Short-term deposits, collateral received	115,370,000	-
- Dividend, profit payables	747,068,090	696,587,465
- Interest payables	7,921,771,585	-
- Deductible input VAT payables (*)	15,282,491,174	17,390,672,992
- Payables on advances to employees	46,823,703,098	46,360,060,683
- Doosan Heavy industries & Construction Co.,Ltd	15,546,577,794	8,929,898,356
- Payables on insurance for workers working in Brunei	-	370,182,656
- Others	21,701,137,996	13,078,138,475
	<b>141,063,707,377</b>	<b>111,418,112,299</b>
<b>b) Long-term</b>		
- Long-term deposits, collateral received	883,626,839	918,582,854
	<b>883,626,839</b>	<b>918,582,854</b>
<b>c) Other payables from related parties</b>	<b>8,609,148,456</b>	<b>1,440,269,229</b>

*details as in Notes 40.*

(\*) Represents the amount of output tax payable corresponding to the input value added tax deducted during the rotor troubleshooting of Unit 1 of Vung Ang Thermal Power Plant corresponding to the remaining amount of the troubleshooting which will be paid.

**23 . PROVISION FOR SHORT-TERM PAYABLES**

	31/12/2020	01/01/2020
	VND	VND
- Provision for construction warranty	12,993,580,874	6,387,782,770
	<b>12,993,580,874</b>	<b>6,387,782,770</b>

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**24 . BORROWINGS AND FINANCE LEASE LIABILITIES**

	01/01/2020		During the year		31/12/2020	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>a) Short-term borrowings</b>						
<b>Short-term borrowings</b>	<b>1,297,976,706,252</b>	<b>1,297,976,706,252</b>	<b>3,677,882,187,128</b>	<b>3,379,009,729,819</b>	<b>1,596,849,163,561</b>	<b>1,596,849,163,561</b>
- Vietnam Machinery Installation Corporation - JSC (1)	874,207,953,159	874,207,953,159	3,488,031,341,738	3,172,889,159,994	1,189,350,134,903	1,189,350,134,903
- Lilama 5 Joint Stock Company (2)	228,835,572,082	228,835,572,082	-	1,631,993,020	227,203,579,062	227,203,579,062
- Lilama 7 Joint Stock Company (3)	77,864,889,084	77,864,889,084	100,557,756,437	102,608,203,159	75,814,442,362	75,814,442,362
- Lilama Erection Mechanical JSC (4)	117,068,291,927	117,068,291,927	89,293,088,953	101,880,373,646	104,481,007,234	104,481,007,234
<b>Current portion of long-term loans</b>	<b>5,919,421,396</b>	<b>5,919,421,396</b>	<b>3,774,081,396</b>	<b>5,919,421,396</b>	<b>3,774,081,396</b>	<b>3,774,081,396</b>
- Vietnam Machinery Installation Corporation - JSC (1)	4,453,521,400	4,453,521,400	3,380,681,400	4,453,521,400	3,380,681,400	3,380,681,400
- Lilama Erection Mechanical JSC (4)	1,465,899,996	1,465,899,996	393,399,996	1,465,899,996	393,399,996	393,399,996
	<b>1,303,896,127,648</b>	<b>1,303,896,127,648</b>	<b>3,681,656,268,524</b>	<b>3,384,929,151,215</b>	<b>1,600,623,244,957</b>	<b>1,600,623,244,957</b>
<b>b) Long-term borrowings</b>						
- Vietnam Machinery Installation Corporation - JSC (1)	9,707,551,500	9,707,551,500	3,380,681,400	7,834,202,800	5,254,030,100	5,254,030,100
- Lilama Erection Mechanical JSC (4)	3,370,075,003	3,370,075,003	-	2,091,524,996	1,278,550,007	1,278,550,007
	<b>13,077,626,503</b>	<b>13,077,626,503</b>	<b>3,380,681,400</b>	<b>9,925,727,796</b>	<b>6,532,580,107</b>	<b>6,532,580,107</b>
Amount due for settlement within 12 months	(5,919,421,396)	(5,919,421,396)	(3,774,081,396)	(5,919,421,396)	(3,774,081,396)	(3,774,081,396)
Amount due for settlement after 12 months	<b>7,158,205,107</b>	<b>7,158,205,107</b>			<b>2,758,498,711</b>	<b>2,758,498,711</b>

(Details of loans and finance lease liabilities - refer to Appendix 01 - Short-term loans, Appendix 02 - Long-term loans).

25 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed capital		Other capital		Asset revaluation differences		Foreign exchange differences		Investment and development funds		Other reserves		Retained earnings		Non controlling interest		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Beginning balance of previous year</b>	797,261,040,000	17,482,549,230	(51,524,755,076)	(5,981,346,488)	225,443,121,033	7,611,007,477	166,250,209,736	433,061,546,744	1,589,603,372,656									
Loss for previous period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate difference due to reporting currency conversion	-	-	-	63,788,350	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit distribution	-	-	-	-	15,629,795,329	13,318,830	(15,643,114,159)	-	-	-	-	-	-	-	-	-	-	-
Allocated to bonus and welfare funds	-	-	-	-	-	-	(14,047,560,591)	-	-	-	-	(4,769,634,286)	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	(31,890,441,600)	-	-	-	-	(6,383,200,000)	-	-	-	-	-	-
Change due to divestment from subsidiaries	-	(15,787,925,000)	19,150,433,994	-	(180,055,469,583)	(7,606,035,456)	218,074,847,029	-	-	-	-	(351,667,731,619)	-	-	-	-	-	-
Reclassification	-	-	-	818,359,830	-	-	-	-	-	-	-	(818,359,830)	-	-	-	-	-	-
Other decrease	-	-	-	-	-	-	-	-	-	-	-	(72,468,838)	-	-	-	-	-	-
<b>Ending balance of previous year</b>	797,261,040,000	1,694,624,230	(32,374,321,082)	(5,099,198,308)	61,017,446,779	18,290,851	237,458,959,757	68,535,338,989	1,128,512,181,216									
<b>Beginning balance of current year</b>	797,261,040,000	1,694,624,230	(32,374,321,082)	(5,099,198,308)	61,017,446,779	18,290,851	237,458,959,757	68,535,338,989	1,128,512,181,216									
Profit/(loss) for current year	-	-	-	-	-	-	58,560,988,581	-	-	-	-	68,535,338,989	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-	(60,902,001,600)	-	-	-	-	(37,333,436,690)	-	-	-	-	-	-
Exchange rate difference due to reporting currency conversion	-	-	-	1,316,230,670	-	-	-	-	-	-	-	(582,977,811)	-	-	-	-	-	-
Distribution of profits in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(188,424,666)	-	-	-	-	-	-
Another increase was due to the subsidiary reimbursement of dividend at Lilama 7	-	-	-	-	-	-	-	-	-	-	-	980,000,000	-	-	-	-	-	-
Other reductions according to Decree 132	-	-	-	-	-	-	-	-	-	-	-	(6,399,798,492)	-	-	-	-	-	-
Other decrease	-	-	-	(2,327,094,654)	-	-	(311,118)	-	-	-	-	311,121	-	-	-	-	-	-
<b>Ending balance of current year</b>	797,261,040,000	1,694,624,230	(32,374,321,082)	(6,110,062,292)	79,898,136,779	18,290,851	229,685,600,129	30,162,923,345	1,100,236,300,960									

According to the Resolution No. 187/NQ-DHDCD dated June 26, 2020, the Corporation announced its profit distribution as follows:

	Rate	Amount
Net Profit after tax	100.00%	82,323,925,074
Investment and development funds	22.93%	18,880,690,000
Bonus and welfare fund	12.31%	10,130,870,000
Paid dividends (4%)	38.74%	31,890,441,600
Retained profit	26.02%	21,421,923,474

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**25 . OWNER'S EQUITY**

**b) Details of owner's invested capital**

	Rate	31/12/2020	Rate	01/01/2020
	(%)	VND	(%)	VND
State shareholder	97.88%	780,324,040,000	97.88%	780,324,040,000
Other shareholders	2.12%	16,937,000,000	2.12%	16,937,000,000
	<b>100%</b>	<b>797,261,040,000</b>	<b>100%</b>	<b>797,261,040,000</b>

**c) Capital transactions with owners and distribution of dividends and profits**

	Year 2020	Year 2019
	VND	VND
Owner's contributed capital	797,261,040,000	797,261,040,000
- At the beginning of year	797,261,040,000	797,261,040,000
- At the ending of year	797,261,040,000	797,261,040,000
Distributed dividends and profit:	747,068,090	696,587,465
- Dividend payable at the beginning of the year	696,587,465	649,351,090
- Dividend payable in the year:	31,890,441,600	31,890,441,600
+ Dividend payable from last year's profit	31,890,441,600	31,890,441,600
- Dividend paid in cash during the year	(31,839,960,975)	(31,843,205,225)
+ Dividend paid from last year's profit	(31,839,960,975)	(31,843,205,225)
- Dividend payable at the end of the year	<u>747,068,090</u>	<u>696,587,465</u>

**d) Stock**

	31/12/2020	01/01/2020
Quantity of Authorized issuing stocks	79,726,104	79,726,104
Quantity of issued shares and full capital contribution	79,726,104	79,726,104
- Common stocks	79,726,104	79,726,104
Quantity of outstanding shares in circulation	79,726,104	79,726,104
- Common stocks	79,726,104	79,726,104
Par value per stock (VND)	10,000	10,000

**e) Company's funds**

	31/12/2020	01/01/2020
	VND	VND
Investment and development fund	79,898,136,779	61,017,446,779
Other funds belonging to owners' equity	18,290,851	18,290,851
	<b>79,916,427,630</b>	<b>61,035,737,630</b>



**26 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMEN****a) Operating leased assets**

- The Corporation signs land lease contracts at 124 Minh Khai, Minh Khai Ward, Hai Ba Trung District for the purpose of office building and production and business establishments with the lease term of 50 years. The area of the leased land is 6,505 m<sup>2</sup>. Under these contracts, the Corporation has to pay land rent annually up to the contract maturity date according to the State's current regulations;

- The Corporation signs land lease contracts at 124 Minh Khai, Minh Khai ward, Hai Ba Trung district for the purpose of making roads, gardens, ancillary works, basement area outside the work construction area of high-rise mixed-use buildings for work and housing with a lease term of 50 years from March 23, 2010. The area of leased land is 1,467.4 m<sup>2</sup>. Under these contracts, the Corporation has to pay land rent annually up to the contract maturity date according to the State's current regulations;

- The Corporation signs land lease contracts in Hung Dong commune, Vinh city, Nghe An province for the purpose of investing in the construction and infrastructure business of Bac Vinh Industrial Park with the lease term until the end of December 18, 2048. The area of the leased land is 220,401.2 m<sup>2</sup>. Under these contracts, the Corporation has to pay land rent annually up to the contract maturity date according to the State's current regulations.

- The Corporation signs land lease contracts for construction sites, storage for equipment, materials, construction materials, offices and housing for staff serving project construction. The land lease term is based on the time of project implementation and the rent is based on each specific contract.

- Lilama 5 Joint Stock Company signs land lease contracts at No. 179 Tran Phu Street, Ba Dinh Ward, Bim Son Town, Thanh Hoa Province to be the headquarters of Lilama 5. Joint Stock Company. The leased land area is 14,867 m<sup>2</sup>. Under these contracts, Lilama 5 Joint Stock Company has to pay land rental annually.

Lilama 5 Joint Stock Company signs land lease contracts at Quarter 6, Bac Son Ward, Bim Son Town, Thanh Hoa Province to build TB and KCT manufacturing factory under Lilama 5 Joint Stock Company rent is 26,435.9 m<sup>2</sup>, according to these contracts, Lilama 5 Joint Stock Company has to pay annual rental fee.

- Lilama 5 Joint Stock Company signs land lease contracts in Ba Dinh ward, Bim Son town, Thanh Hoa province to build a mechanical factory and press-stamp of Lilama 5 Joint Stock Company. The leased land area is 16,512,25 m<sup>2</sup>, according to these contracts, Lilama 5 Joint Stock Company has to pay land rental annually.

- Lilama 7 Joint Stock Company signs land lease contracts at No.06 Hoang Van Thu, Hai Chau, Da Nang to be the production and business base of Lilama 7 Joint Stock Company. The leased land area is 99.6 m<sup>2</sup>. Under these contracts, Lilama 7 Joint Stock Company has to pay land rental annually.

- Lilama Machinery Erection Joint Stock Company signs land lease contracts at the land number 72E, Hoang Dieu street, Thanh Binh ward, Ninh Binh city, Ninh Binh province to build working offices and factories. of Lilama Machinery Erection Joint Stock Company. The area of the leased land is 29,873 m<sup>2</sup>. Under these contracts, Lilama Mechanical Engineering Joint Stock Company has to pay annual land rental (43 years from July 1, 2003 to July 1, 2046).

**b) Foreign currencies**

	31/12/2020	01/01/2020
- USD	19,690,153.41	22,830,595.08
- EUR	2,672.10	6,452.02
- Brunei Dollar (BND)	232,322.23	238,005.04

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**27 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES**

	Year 2020	Year 2019
	VND	VND
Revenue from construction contracts	5,892,307,780,125	6,885,299,073,749
Revenue from rendering of services	82,028,765,132	122,328,989,210
Revenue from sale of goods	85,953,791,423	34,178,875,293
	<b><u>6,060,290,336,680</u></b>	<b><u>7,041,806,938,252</u></b>
In which: Revenue from related parties <i>details as in Notes 40.</i>	<b><u>120,431,220,357</u></b>	<b><u>119,227,618,562</u></b>

**28 . COSTS OF GOODS SOLD**

	Year 2020	Year 2019
	VND	VND
Costs of construction contracts	5,617,791,513,199	6,486,101,936,485
Costs of services rendered	81,483,432,324	112,245,663,078
Costs of goods sold	85,830,668,557	31,436,208,497
	<b><u>5,785,105,614,080</u></b>	<b><u>6,629,783,808,060</u></b>
In which: Costs of goods sold from related parties <i>details as in Notes 40.</i>	<b><u>1,463,370,165,952</u></b>	<b><u>1,003,219,498,193</u></b>

**29 . FINANCE INCOME**

	Year 2020	Year 2019
	VND	VND
Interest income, interest from loans	37,817,662,509	65,861,655,174
Dividends, profits earned	4,737,196,530	840,011,940
Realized gain from foreign exchange difference	50,461,030,062	27,953,818,321
Profits from stock transfer	-	390,150,385,318
Others	3,975,939,052	204,964,384
	<b><u>96,991,828,153</u></b>	<b><u>485,010,835,137</u></b>
In which: Finance income from related parties <i>details as in Notes 40.</i>	<b><u>17,222,650,745</u></b>	<b><u>21,423,218,367</u></b>

**30 . FINANCIAL EXPENSES**

	Year 2020	Year 2019
	VND	VND
Interest expenses	130,032,961,842	176,676,585,861
Payment discount, interest from installment sales	491,956,155	-
Realized loss from foreign exchange difference	34,722,824,432	19,164,078,449
Unrealized loss from foreign exchange difference	6,999,321,867	-
Provisions for devaluation of trading securities and investments	691,414	70,775,433,546
Provision for doubtful loan interest	24,249,045,899	87,683,588,399
Others	135,875,165	2,058,014,997
	<b><u>196,632,676,774</u></b>	<b><u>356,357,701,252</u></b>

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**31 . GENERAL ADMINISTRATIVE EXPENSES**

	Year 2020	Year 2019
	VND	VND
Raw materials	1,060,145,933	4,377,601,044
Labor	85,126,834,289	108,145,279,746
Depreciation and amortisation	5,763,201,441	9,989,228,457
Tax, Charge, Fee	186,711,418	1,034,588,529
Provision expenses	16,656,855,486	530,339,298,969
Expenses from external services	20,982,551,269	26,849,873,842
Other expenses by cash	14,660,909,985	24,887,534,938
	<b><u>144,437,209,821</u></b>	<b><u>705,623,405,525</u></b>

**32 . OTHER INCOME**

	Year 2020	Year 2019
	VND	VND
Gain from liquidation, disposal of fixed assets	4,867,466,323	574,010,799
Gain from revaluation of assets	-	35,080,996,917
Collected fines	-	693,362,085
Others	1,238,199,238	8,051,288,862
	<b><u>6,105,665,561</u></b>	<b><u>44,399,658,663</u></b>

**33 . OTHER EXPENSE**

	Year 2020	Year 2019
	VND	VND
Loss from liquidation, disposal of fixed assets	-	267,263,536
Fines	231,032,119	392,458,824
Others	1,902,018,233	3,370,288,413
	<b><u>2,133,050,352</u></b>	<b><u>4,030,010,773</u></b>

**34 . CURRENT BUSINESS INCOME TAX EXPENSE**

	Year 2020	Year 2019
	VND	VND
<i>Corporate income tax from main business activities</i>		
- Vietnam Machinery Installation Corporation - JSC	10,543,108,079	14,618,653,566
- Lilama Erection Mechanical Joint Stock Company	-	75,722,667
- Lilama South East Asia SDN BHD Co., Ltd	901,096,604	-
- Lilama 10 Joint Stock Company	-	2,223,960,715
- Lilama 18 Joint Stock Company	-	7,155,924,658
- Lilama 69.1 Joint Stock Company	-	324,844,672
- Lilama 69.3 Joint Stock Company	-	31,367,687
- LHT International Consulting Joint Stock Company	-	138,215,416
<b>Current corporate income tax expense</b>	<b><u>11,444,204,683</u></b>	<b><u>24,568,689,381</u></b>

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**35 . BASIC EARNINGS PER SHARE**

Earning per share distributed to common shareholders of the company is calculated as follows :

	Year 2020	Year 2019
	VND	VND
Net profit after tax	58,560,988,581	(84,394,151,990)
Adjustment	-	(10,130,870,000)
- <i>Bonus and welfare funds distributed from after tax earning</i>	-	(10,130,870,000)
Profit distributed for common stocks	58,560,988,581	(94,525,021,990)
Average number of outstanding common shares in circulation in the year	79,726,104	79,726,104
<b>Basic earnings per share</b>	<b>735</b>	<b>(1,186)</b>

The corporation has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Consolidated Financial Statements for the year 2020.

**36 . BUSINESS AND PRODUCTIONS COST BY ITEMS**

	Year 2020	Year 2019
	VND	VND
Raw materials	345,069,835,872	929,664,422,070
Labour	671,183,808,881	1,006,240,839,907
Depreciation and amortisation	36,874,686,244	98,639,590,740
Provision expenses	17,260,200,249	536,727,081,639
Expenses from external services	502,271,659,522	1,189,507,859,886
Subcontracting expenses	4,110,382,770,371	3,724,772,769,834
Other expenses	237,252,992,811	111,835,771,144
	<b>5,920,295,953,950</b>	<b>7,597,388,335,220</b>

**37 . FINANCIAL INSTRUMENTS**

The types of financial instruments of the Corporation include:

	Carrying amount			
	31/12/2020		01/01/2020	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalents	895,879,299,471	-	1,079,229,768,393	-
Trade receivables, other receivables	4,982,722,772,788	(749,676,948,318)	4,606,101,420,194	(707,439,914,846)
Loans	380,568,669,770	(377,105,669,770)	392,078,669,770	(377,105,669,770)
Long term investments	105,495,125,309	(19,799,036,703)	105,495,125,309	(19,799,036,703)
	<b>6,364,665,867,338</b>	<b>(1,146,581,654,791)</b>	<b>6,182,904,983,666</b>	<b>(1,104,344,621,319)</b>

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	Carrying amount	
	31/12/2020	01/01/2020
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	1,603,381,743,668	1,311,054,332,755
Trade payables, other payables	3,955,356,578,323	4,040,194,469,036
Accrued expenses	639,761,775,030	951,524,294,589
	<b><u>6,198,500,097,021</u></b>	<b><u>6,302,773,096,380</u></b>

Financial assets and financial liabilities have not been revalued to the fair values at the balance sheet date as required by Circular 210/2009/TT-BTC and applicable regulations require the presentation of financial statements and disclosures for financial instruments, but do not provide equivalent guidance for the evaluation and recognition of fair values of financial assets and financial liabilities, other than appropriate provisions for bad debts has been detailed in the relevant Notes.

**Financial risk management**

The Coporation's financial risks including market risk, credit risk and liquidity risk. The Coporation has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Management of the Coporation is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

**Market risk**

The Coporation's business operations will bear the risks of changes on prices, exchange rates and interest rates.

**Exchange rate risk:**

The Coporation bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Coporation are denominated in foreign currencies other than VND.

**Interest rate risk:**

The Coporation bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Coporation has time or demand deposits, borrowings and debts subject to floating interest rates. The Coporation manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

**Credit Risk**

Credit risk is the risk of financial loss to the Coporation if a counterparty fails to perform its contractual obligations. The Coporation has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments).

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	Under 1 year VND	From 1 to 5 years VND	From more than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Cash and cash equivalents	895,879,299,471	-	-	895,879,299,471
Trade receivables, other receivables	4,223,460,524,470	9,585,300,000	-	4,233,045,824,470
Loans	3,463,000,000	-	-	3,463,000,000
	<u>5,122,802,823,941</u>	<u>9,585,300,000</u>	<u>-</u>	<u>5,132,388,123,941</u>
<b>As at 01/01/2020</b>				
Cash and cash equivalents	1,079,229,768,393	-	-	1,079,229,768,393
Trade receivables, other receivables	3,889,076,205,348	9,585,300,000	-	3,898,661,505,348
Loans	14,973,000,000	-	-	14,973,000,000
	<u>4,983,278,973,741</u>	<u>9,585,300,000</u>	<u>-</u>	<u>4,992,864,273,741</u>

**Liquidity Risk**

Liquidity risk is the risk that the Corporation has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Corporation is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year VND	From 1 to 5 years VND	From more than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Borrowings and debts	1,600,623,244,957	2,758,498,711	-	1,603,381,743,668
Trade payables, other payables	3,954,472,951,484	883,626,839	-	3,955,356,578,323
Accrued expenses	638,173,510,917	1,588,264,113	-	639,761,775,030
	<u>6,193,269,707,358</u>	<u>5,230,389,663</u>	<u>-</u>	<u>6,198,500,097,021</u>
<b>As at 01/01/2020</b>				
Borrowings and debts	1,303,896,127,648	7,158,205,107	-	1,311,054,332,755
Trade payables, other payables	4,039,275,886,182	918,582,854	-	4,040,194,469,036
Accrued expenses	949,936,030,476	1,588,264,113	-	951,524,294,589
	<u>6,293,108,044,306</u>	<u>9,665,052,074</u>	<u>-</u>	<u>6,302,773,096,380</u>

The Corporation believes that risk level of loan repayment is controllable. The Corporation has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

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**38 . EVENTS AFTER BALANCE SHEET DATE**

There have been no significant events occurring after the fiscal year, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

**39 . SEGMENT REPORTING**
**Under business fields**

	Selling goods	Construction activities, services	Grant total
	VND	VND	VND
Net revenue from sales to external	85,953,791,423	5,974,336,545,257	6,060,290,336,680
<b>Profit from business activities</b>	<b>123,122,866</b>	<b>275,061,599,734</b>	<b>275,184,722,600</b>
The total cost of acquisition of fixed assets	-	2,380,766,440	2,380,766,440
Unallocated assets	-	-	7,748,585,312,449
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>7,748,585,312,449</b>
Unallocated liabilities	-	-	6,646,454,663,929
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>6,646,454,663,929</b>

**Under geographical areas**

	Viet Nam	Foreign	Grant total
	VND	VND	VND
Net revenue from sales to external customers	4,744,225,863,130	1,316,064,473,550	6,060,290,336,680
Segment assets	7,376,027,864,910	372,557,447,539	7,748,585,312,449
The total cost of acquisition of fixed assets	2,380,766,440	-	2,380,766,440

**40 . TRANSACTION AND BALANCES WITH RELATED PARTIES**

List and relation between related parties and the Company detail as follows:

<u>Related parties</u>	<u>Relationship</u>
Lilama 45.1 Joint Stock Company	Associates
Lilama 45.3 Joint Stock Company	Associates
Lilama 45.4 Joint Stock Company	Associates
Lilama Land Joint Stock Company	Associates
Erection - Electromechanics Testing Joint Stock Company	Associates
Lilama Engineering Construction and Technology Joint Stock Company	Associates
Lilama 10 Joint Stock Company	Associates
Lilama 18 Joint Stock Company	Associates
Lilama 69.1 Joint Stock Company	Associates
Lilama 69.3 Joint Stock Company	Associates

And members of the Board of Directors, Board of Management - Details in the Report of the Board of Management.

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During the fiscal year, the Company has the transactions and balances with related parties as follows:

Transactions during the year:

	Year 2020	Year 2019
	VND	VND
<b>Sales and rendering services</b>	<b>120,431,220,357</b>	<b>119,227,618,562</b>
Lilama 45.1 Joint Stock Company	1,637,072,393	864,652,062
Erection - Electromechanics Testing Joint Stock Company	694,797,205	289,146,619
Lilama Land Joint Stock Company	172,369,280	167,126,300
Lilama 45.3 Joint Stock Company	35,099,850	26,204,300
Lilama 45.4 Joint Stock Company	-	176,374,981
Lilama 10 Joint Stock Company	5,928,736,067	19,265,938,680
Lilama 18 Joint Stock Company	47,434,177,883	57,845,606,638
Lilama 69.1 Joint Stock Company	39,417,882,663	20,801,010,178
Lilama 69.3 Joint Stock Company	25,111,085,016	19,791,558,804
<b>Purchase</b>	<b>1,463,370,165,952</b>	<b>1,003,219,498,193</b>
Lilama 10 Joint Stock Company	322,781,233,976	231,206,285,167
Lilama 18 Joint Stock Company	686,853,542,624	399,002,742,550
Lilama 69.3 Joint Stock Company	105,796,424,430	120,501,710,394
Lilama 69.1 Joint Stock Company	286,135,260,991	201,679,132,387
Erection - Electromechanics Testing Joint Stock Company	53,223,665,652	29,703,780,192
Lilama 45.1 Joint Stock Company	8,580,038,279	21,125,847,503
<b>Dividends divided</b>	<b>4,574,377,500</b>	<b>7,265,975,000</b>
Lilama 10 Joint Stock Company	3,560,400,000	3,560,400,000
Erection - Electromechanics Testing Joint Stock Company	-	325,650,000
Lilama 18 Joint Stock Company	1,013,977,500	3,379,925,000
<b>Lending interest</b>	<b>12,648,273,245</b>	<b>14,157,243,367</b>
Lilama 45.1 Joint Stock Company	10,256,116,973	11,771,623,041
Lilama 45.3 Joint Stock Company	2,392,156,272	2,385,620,326

Outstanding balances up to the reporting date are as follows:

	31/12/2020	01/01/2020
	VND	VND
<b>Short-term trade receivables</b>	<b>37,565,902,637</b>	<b>46,189,781,517</b>
Lilama 45.1 Joint Stock Company	14,305,891,379	14,287,837,661
Lilama 10 Joint Stock Company	6,771,612,846	10,605,627,217
Lilama 69.3 Joint Stock Company	4,755,122,983	9,673,032,871
Lilama 18 Joint Stock Company	4,525,287,796	4,358,034,463
Lilama 45.4 Joint Stock Company	3,510,895,558	3,510,895,558
Lilama 45.3 Joint Stock Company	2,633,738,957	2,618,119,979
Lilama 69.1 Joint Stock Company	1,022,261,694	1,136,233,768
Lilama Land Joint Stock Company	1,491,424	-
Erection - Electromechanics Testing Joint Stock Company	39,600,000	-



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	31/12/2020	01/01/2020
	VND	VND
<b>Short-term prepayments to suppliers</b>	<b>95,986,472,041</b>	<b>66,302,562,333</b>
Lilama 45.1 Joint Stock Company	46,365,949,049	53,671,265,241
Lilama 45.4 Joint Stock Company	11,431,018,327	11,431,018,327
Lilama 45.3 Joint Stock Company	1,409,793,614	1,200,278,765
Lilama 69.1 Joint Stock Company	36,779,711,051	-
<b>Loan receivables</b>	<b>135,485,661,877</b>	<b>135,485,661,877</b>
Lilama 45.1 Joint Stock Company	109,861,383,422	109,861,383,422
Lilama 45.3 Joint Stock Company	25,624,278,455	25,624,278,455
<b>Other receivables</b>	<b>49,792,329,569</b>	<b>36,643,086,316</b>
Lilama 45.1 Joint Stock Company	39,107,456,922	28,851,339,949
Lilama 45.3 Joint Stock Company	6,865,390,447	4,659,758,167
Lilama 45.4 Joint Stock Company	3,131,988,200	3,131,988,200
Lilama 10 Joint Stock Company	218,006,000	-
Lilama 18 Joint Stock Company	287,216,000	-
Lilama 69.1 Joint Stock Company	182,272,000	-
<b>Short-term trade payables</b>	<b>313,893,169,352</b>	<b>346,282,515,777</b>
Lilama 18 Joint Stock Company	142,008,425,722	203,246,488,561
Lilama 10 Joint Stock Company	99,076,295,537	77,273,859,660
Lilama 69.3 Joint Stock Company	51,522,432,208	40,280,662,542
Lilama 69.1 Joint Stock Company	141,800,000	6,047,310,170
Erection - Electromechanics Testing Joint Stock Company	21,144,215,885	19,434,194,844
<b>Prepayments from customers</b>	<b>-</b>	<b>5,469,268,939</b>
Lilama 69.1 Joint Stock Company	-	1,136,233,768
Lilama 45.1 Joint Stock Company	-	140,746,206
Lilama 10 Joint Stock Company	-	1,691,539,843
Lilama 45.3 Joint Stock Company	-	2,500,749,122
<b>Other payables</b>	<b>8,609,148,456</b>	<b>1,440,269,229</b>
Lilama 18 Joint Stock Company	2,864,745,248	841,088,389
Lilama 10 Joint Stock Company	5,487,399,424	107,426,432
Lilama 69.1 Joint Stock Company	102,543,872	77,493,504
Lilama 45.1 Joint Stock Company	16,336,320	264,188,320
Lilama 45.3 Joint Stock Company	38,864,960	38,864,960
Lilama 45.4 Joint Stock Company	57,018,632	28,897,544
Lilama Land Joint Stock Company	42,240,000	42,240,000
Erection - Electromechanics Testing Joint Stock Company	-	40,070,080

Transactions with other related parties:

<u>Board of Directors</u>	<u>Position</u>	<u>Year 2020</u>	<u>Year 2019</u>
		VND	VND
Mr. Bui Duc Kien	Chairman, Appointed on 01 November 2020	456,000,000	543,840,000
Mr. Nguyen Dinh Hai	Chairman, Resigned on 01 November 2020	430,000,000	650,160,000
Mr. Le Van Tuan	Member	(*)	(*)
Mr. Nguyen Huu Thanh	Member	(*)	(*)
Mr. Nguyen Van Hung	Member	(*)	(*)

(\*) Has been presented in the income section of the Board of Management as detailed below.

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<u>Board of Management</u>	<u>Position</u>	<u>Year 2020</u>	<u>Year 2019</u>
		VND	VND
Mr. Le Van Tuan	General Director	540,000,000	664,800,000
Mr. Tran Dinh Dai	Vice General Director	384,000,000	483,840,000
Mr. Nguyen Van Hung	Vice General Director	444,000,000	543,840,000
Mr. Nguyen Manh Dung	Vice General Director	384,000,000	483,840,000
Mr. Nguyen Huu Thanh	Vice General Director	444,000,000	538,840,000

**41 . COMPARATIVE FIGURES**

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2019 which was audited by Deloitte Viet Nam Company Limited.



**Lai Viet Tan**  
Preparer



**To Phi Son**  
Chief Accountant



**Le Van Tuan**  
Chief Executive Officer

Hanoi, 30 March 2021

APPENDIX 01: SHORT-TERM LOANS

Reference	No	Bank - Contract number	Credit limit	Annual interest rate	Loan term	Loan principal balance at 31/12/2020 (VND)	Loan purpose	Loan security forms
Vietnam Machinery Installation Corporation JSC (Parent Company) (1)	1	Bank for Investment and Development of Vietnam - Transaction Center I: Credit limit agreement No.01/2019/518/HDTDHM dated December 10, 2019 and amendments dated December 7, 2020	3,150,000,000,000	Determined according to each specific credit contract	Until January 31, 2021	901,575,083,696	Supplement working capital to serve production and business activities	No collateral
	2	Bank for Investment and Development of Vietnam - Thai Ha Branch: Credit limit agreement No.01/2019/518/HDTD dated December 12, 2019 and amendments dated December 8, 2020	200,000,000,000	Determined according to each specific credit contract	Until January 31, 2021	4,797,032,046	Working capital supplement, guarantee, opening L/C	No collateral
	3	Tien Phong Commercial Joint Stock Bank - Thang Long Branch: Credit limit agreement No.120/2020/HDTD/PHG/01 dated March 31, 2020	1,300,000,000,000	Working capital supplement / work construction cost payment	No more than 10 months	282,978,019,161	Working capital supplement/work construction cost payment	No collateral
Lilama 5 Joint Stock Company (2)	1	Joint Stock Commercial Bank for Industry and Trade of Vietnam - Sam Son Branch: Loan agreement for each time No.18910307/2018-HDCVTL/NHCT422LILAMA5 dated July 6, 2018	8,200,000,000	This principal debt is overdue and bears interest on the bank's penalty interest	No more than 9 months	5,558,523,200	Payment for reasonable costs of Economic Contract No.01/XL3-LL5 dated December 12, 2017 - construction of cement grinding plant, gas compressor factory - Bim Son cement project.	Secured by property mortgage under contracts
	2	Joint Stock Commercial Bank for Industry and Trade of Vietnam - Sam Son Branch: Credit Agreement No.50201/2017-HDTD /NHCT422-LONGPHU1 dated February 28, 2017	40,000,000,000	This principal debt is overdue and bears interest on the bank's penalty interest	9 months	8,253,852,129	Payment for cost of Long Phu 1 thermal power plant project	Secured by property mortgage under contracts
	3	Joint Stock Commercial Bank for Industry and Trade of Vietnam - Sam Son Branch: Loan agreement for each time No. 17881509/2017-HDCVTL/NHCT422PHUTHO dated September 18, 2017	40,000,000,000	This principal debt is overdue and bears interest on the bank's penalty interest	No more than 9 months	30,016,151,585	Payment for reasonable costs of the package of construction and installation of 220kv Phu Tho substation	Secured by property mortgage under contracts
	4	Bank for Investment and Development of Vietnam - Bim Son Branch: Credit limit Agreement No. 01/2018/295277/HDTD dated December 28, 2018	197,224,000,000	This principal debt is overdue and bears interest on the bank's penalty interest	12 months	183,375,052,148	Working capital supplement	Secured by assets according to the contract of mortgage, pledge, guarantee or collateral

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Reference	No	Bank - Contract number	Credit limit	Annual interest rate	Loan term	Loan principal balance at 31/12/2020 (VND)	Loan purpose	Loan security forms
Lilama 7 Joint Stock Company (3)	1	Vietnam Maritime Joint Stock Commercial Bank - Da Nang Branch: Credit limit agreement No. 17.07/2020/HĐTD dated 21/07/2020	60,000,000,000	Interest rate is specified in the Debt Receipt	Specified according to each debt acknowledgment contract	39,801,599,543	Working capital supplement	The loan is secured by pledged assets as stated in the contract
	2	Vietnam Bank for Agriculture and Rural Development - Da Nang Branch: Credit limit agreement No. 2000-LAV- 202001397 dated 13/11/2020	40,000,000,000	Interest rate is specified in the Debt Receipt	Specified for each disbursement time and agreed upon by both parties on each debt receipt	36,012,842,819	Working capital supplement	The loan is secured by assets
Lilama Erection Mechanical Joint Stock Company (4)	1	Bank for Investment and Development of Vietnam - Ninh Binh Branch	Specific provisions on credit limit agreement	Interest rate is specified in the Debt Receipt	Specified for each debt acknowledgment	99,967,735,249	Payment for purchase of materials, volume of construction and installation works	The loan is secured by and assets
	2	Military Commercial Joint Stock Bank - Ninh Binh Branch	Specific provisions on credit limit agreement	Interest rate is specified in the Debt Receipt	Specified for each debt acknowledgment	4,513,271,985	Payment for purchase of materials, volume of construction and installation works	The loan is secured by and assets
<b>Total</b>						<b>1,596,849,163,561</b>		

APPENDIX 02: LONG-TERM LOANS

Reference	No	Bank - Contract number	Credit limit	Annual interest rate	Loan term	Loan principal balance at 31/12/2020 (VND)	Current portion of long-term loan
Vietnam Machinery Installation Corporation - JSC (Parent Company) (1)	1	Vietcombank Financial Leasing Company Limited Financial leasing contract No. 102.16.02 / CTTC dated February 3, 2016	50 ton tower crane and winch system	72 months	Interest rate announced by the lender each time	4,851,412,500	3,234,275,000
	2	BIDV SUMI TRUST Leasing Company Limited - Hanoi Branch Financial leasing contract No. 21718000077/HDCCTC dated July 20, 2018	01 Toyota Innova G2.0	60 months	Interest rate announced by the lender each time	402,617,600	146,406,400
Lilama Erection Mechanical Joint Stock Company (4)	1	Vietcombank Financial Leasing Company Limited	Truck with 15-ton crane	60 months	The interest rate is adjusted every 6 months, the interest rate is equal to the interest rate of 12-month savings deposit + 4.5 months/year amplitude	1,278,550,007	393,399,996
<b>Total</b>						<b>6,532,580,107</b>	<b>3,774,081,396</b>

