

**VIETNAM MACHINERY INSTALLATION
CORPORATION - JSC**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2018

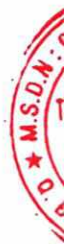


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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Machinery Installation Corporation – JSC (the “Corporation”) presents this report together with the separate financial statements of the Corporation for the year ended 31 December 2018.

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The members of the Board of Directors and the Board of Management of the Corporation who held office during the year and to the date of this report are as follows:

Board of Directors

Mr. Nguyen Dinh Hai	Chairman
Mr. Le Van Tuan	Member
Mr. Nguyen Van Hung	Member
Mr. Bui Duc Kien	Member
Mr. Nguyen Huu Thanh	Member

Board of Management

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 (appointed on 01 February 2019)
Mr. Bui Duc Kien	Chief Accountant

BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Management of the Corporation is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these separate financial statements.

Approval for separate financial statements

We, the Board of Directors of Vietnam Machinery Installation Corporation – JSC, approved the separate financial statements for the year ended 31 December 2018 of the Corporation.

For the Board of Directors,



Nguyen Dinh Hai
Chairman

**Vietnam Machinery Installation
Corporation - JSC**

28 March 2019

For and on behalf of the Board of
Management,



Le Van Tuan
Chief Executive Officer

**Vietnam Machinery Installation
Corporation - JSC**

28 March 2019

No.: 952 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Vietnam Machinery Installation Corporation – JSC (the "Corporation"), prepared on 28 March 2019 as set out from page 05 to page 49, which comprise the balance sheet as at 31 December 2018, the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the separate financial statements

The Board of Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 separate financial statements.

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

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matters

We would like to draw attention to the following matters:

- As stated in Note 02 of the Notes to the separate financial statements, the separate financial statements for the year ended 31 December 2018 of the Corporation included adjustments according to the conclusion of the State audit dated 07 March 2019 on the settlement of the state capital portion at the time of official transformation into a joint stock company. As of the issue date of this report, the works related to equitization settlement are being carried out and the Corporation has not received any decision of competent authorities on approval for the equitization finalization at the date of official transformation into a joint stock company.
- As stated in Note 34 of the Notes to the separate financial statements, on 02 March 2018, the Corporation submitted Official Letter No. 192/TCT-TCKT to the Ministry of Finance to present the actual situation as well as difficulties and troubles when applying the Government's Decree No. 20/2017/ND-CP dated 24 February 2017 on tax administration for enterprises having related transactions ("Decree 20") and propose the Ministry of Finance to consider the proposal to the Government to amend the policy in line with the particular characteristics of each business major, especially construction and mechanical engineering. As of the issue date of these separate financial statements, there has been no formal answer from the competent authorities; accordingly, the Board of Management of the Corporation has decided not to exclude interest expenses in excess of the limit to determine the taxable profit under the Decree 20 above. The Corporation determines that this is a uncertain contingent tax liability. The adjustment (if any) will be carried out by the Corporation with official guidance from the competent authorities.

Our opinion is not modified in respect of these matters.



Tran Huy Cong

Deputy General Director

Audit Practising Registration Certificate

No. 0891-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

28 March 2019

Hanoi, S.R. Vietnam



Vu Manh Hung

Auditor

Audit Practising Registration Certificate

No. 2737-2018-001-1

BALANCE SHEET*As at 31 December 2018*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Retrospective adjusted)
A. CURRENT ASSETS	100		6,498,085,793,161	6,962,424,428,417
I. Cash and cash equivalents	110	5	1,670,870,717,946	2,587,152,145,416
1. Cash	111		757,811,063,377	1,134,902,488,012
2. Cash equivalents	112		913,059,654,569	1,452,249,657,404
II. Short-term receivables	130		4,076,163,597,075	3,632,916,513,267
1. Short-term trade receivables	131	7	2,809,682,322,371	2,150,895,065,230
2. Short-term advances to suppliers	132	8	1,301,887,511,702	1,219,013,369,380
3. Short-term loan receivables	135	9	398,291,251,381	412,500,520,982
4. Other short-term receivables	136	10	355,024,092,014	303,167,512,595
5. Provision for short-term doubtful debts	137	11	(788,721,580,393)	(452,659,954,920)
III. Inventories	140	12	704,238,179,767	675,403,838,715
1. Inventories	141		705,912,293,867	677,652,083,045
2. Provision for devaluation of inventories	149		(1,674,114,100)	(2,248,244,330)
IV. Other short-term assets	150		46,813,298,373	66,951,931,019
1. Short-term prepayments	151	13	1,395,763,606	577,848,260
2. Value added tax deductibles	152		15,923,267,911	47,972,801,774
3. Taxes and other receivables from the State budget	153	21	29,494,266,856	18,401,280,985

The accompanying notes are an integral part of these separate financial statements

BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance (Retrospective adjusted)
B. NON-CURRENT ASSETS	200		1,092,641,923,718	1,072,828,196,577
I. Long-term receivables	210		9,501,000,000	14,601,000,000
1. Other long-term receivables	216	10	9,501,000,000	14,601,000,000
II. Fixed assets	220		146,909,308,500	170,841,790,711
1. Tangible fixed assets	221	14	106,894,791,644	129,150,038,833
- Cost	222		421,440,244,392	430,382,520,140
- Accumulated depreciation	223		(314,545,452,748)	(301,232,481,307)
2. Finance lease assets	224	15	27,899,910,598	30,967,352,666
- Cost	225		36,048,485,455	37,242,687,273
- Accumulated depreciation	226		(8,148,574,857)	(6,275,334,607)
3. Intangible assets	227	16	12,114,606,258	10,724,399,212
- Cost	228		12,335,728,212	10,808,879,212
- Accumulated amortisation	229		(221,121,954)	(84,480,000)
III. Investment properties	230	17	26,951,271,834	28,500,843,093
- Cost	231		57,127,963,520	56,376,553,129
- Accumulated depreciation	232		(30,176,691,686)	(27,875,710,036)
IV. Long-term assets in progress	240		39,596,094,302	39,589,094,302
1. Construction in progress	242	18	39,596,094,302	39,589,094,302
V. Long-term financial investments	250	6	850,884,064,125	790,339,821,673
1. Investments in subsidiaries	251		536,098,837,129	542,517,705,172
2. Investments in associates	252		190,362,903,176	171,454,631,755
3. Equity investments in other entities	253		162,410,715,985	162,410,715,985
4. Provision for impairment of long-term financial investments	254		(37,988,392,165)	(86,043,231,239)
VI. Other long-term assets	260		18,800,184,957	28,955,646,798
1. Long-term prepayments	261	13	18,800,184,957	28,955,646,798
TOTAL ASSET (270=100 + 200)	270		7,590,727,716,879	8,035,252,624,994

The accompanying notes are an integral part of these separate financial statements

BALANCE SHEET (Continued)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance (Retrospective adjusted)
C. LIABILITIES	300		6,686,147,621,639	7,118,824,227,162
I. Current liabilities	310		6,258,568,138,787	6,487,854,984,833
1. Short-term trade payables	311	19	3,492,901,964,253	3,851,753,123,974
2. Short-term advances from customers	312	20	615,306,351,228	807,715,852,672
3. Taxes and amounts payable to the State budget	313	21	452,126,265	430,503,350
4. Payables to employees	314		38,360,599,517	67,675,778,821
5. Short-term accrued expenses	315	22	1,280,778,285,647	1,056,743,889,246
6. Short-term unearned revenue	318		1,220,580,859	1,308,482,391
7. Other current payables	319	23	101,430,632,796	47,716,855,080
8. Short-term loans and obligations under finance leases	320	24	639,444,315,193	606,940,276,587
9. Short-term provisions	321		35,080,996,917	-
10. Bonus and welfare funds	322		53,592,286,112	47,570,222,712
II. Long-term liabilities	330		427,579,482,852	630,969,242,329
1. Long-term unearned revenue	336		31,494,602,689	32,629,037,623
2. Other long-term payables	337	23	863,746,839	927,601,839
3. Long-term loans and obligations under finance leases	338	25	395,221,133,324	597,412,602,867
D. EQUITY	400		904,580,095,240	916,428,397,832
I. Owners' equity	410	26	901,818,747,680	913,667,050,272
1. Owners' contributed capital	411		797,261,040,000	797,261,040,000
- Ordinary shares carrying voting rights	411a		797,261,040,000	797,261,040,000
2. Investment and development fund	418		41,812,360,000	25,802,470,000
3. Retained earnings	421		62,745,347,680	90,603,540,272
- Retained earnings accumulated to the prior year end	421a		18,049,597,872	10,554,111,851
- Retained earnings of the current year	421b		44,695,749,808	80,049,428,421
II. Other resources and funds	430		2,761,347,560	2,761,347,560
1. Subsidised fund	431		2,761,347,560	2,761,347,560
TOTAL RESOURCES (440=300+400)	440		7,590,727,716,879	8,035,252,624,994


To Phi Son
Preparer


Bui Duc Kien
Chief Accountant


Le Van Tuan
Chief Executive Officer

28 March 2019

The accompanying notes are an integral part of these separate financial statements

INCOME STATEMENT

For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	28	10,089,292,932,192	15,811,531,439,877
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10=01-02)	10		10,089,292,932,192	15,811,531,439,877
4. Cost of sales	11	29	9,752,712,692,847	15,207,790,052,533
5. Gross profit from goods sold and services rendered (20=10-11)	20		336,580,239,345	603,741,387,344
6. Financial income	21	31	204,411,527,488	235,343,904,834
7. Financial expenses	22	32	117,693,476,220	405,306,341,918
- In which: Interest expense	23		101,991,898,828	198,105,328,979
8. General and administration expenses	26	33	372,728,191,227	357,780,157,704
9. Operating profit (30=20+(21-22)-26)	30		50,570,099,386	75,998,792,556
10. Other income	31		7,089,332,624	5,167,147,652
11. Other expenses	32		2,264,385,539	220,567,049
12. Profit from other activities (40=31-32)	40		4,824,947,085	4,946,580,603
13. Accounting profit before tax (50=30+40)	50		55,395,046,471	80,945,373,159
14. Current corporate income tax expense	51	34	10,699,296,663	895,944,738
15. Net profit after corporate income tax (60=50-51)	60		44,695,749,808	80,049,428,421


To Phi Son
Preparer


Bui Duc Kien
Chief Accountant


Le Van Tuan
Chief Executive Officer

28 March 2019

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENTFor the year ended 31 December 2018
(Indirect method)

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	55,395,046,471	80,945,373,159
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	28,686,726,711	38,338,779,341
Provisions	03	322,513,653,086	390,769,638,691
Foreign exchange loss arising from translating foreign currency items	04	446,937,265	369,329,857
(Gain) from investing activities	05	(152,127,329,995)	(98,665,284,874)
Interest expense	06	101,991,898,828	198,105,328,979
3. Operating profit before movements in working capital	08	356,906,932,366	609,863,165,153
Changes in receivables	09	(820,095,244,223)	2,530,743,272,294
Changes in inventories	10	(28,260,210,822)	(277,619,514,320)
Changes in accounts payable (not including accrued loan interest and corporate income tax payable)	11	(220,579,715,910)	(1,525,122,008,551)
Changes in prepaid expenses	12	9,337,546,495	(7,121,288,785)
Changes in trading securities	13	-	42,775,718,400
Interest paid	14	(108,350,702,552)	(220,553,978,529)
Corporate income tax paid	15	(21,103,480,385)	(1,868,514,825)
Other cash outflows	17	(2,686,326,600)	(2,088,729,400)
Net cash (used in)/ generated by operating activities	20	(834,831,201,631)	1,149,008,121,437
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(3,240,257,819)	(601,497,000)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	1,513,174,909	3,511,442,362
3. Cash outflow for lending, buying debt instruments of other entities	23	-	(5,100,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	7,000,000,000	112,100,000,000
5. Equity investments in other entities	25	(64,336,340,000)	-
6. Cash recovered from investments in other entities	26	165,644,393,437	10,010,916,000
7. Interest earned, dividends and profits received	27	38,646,559,741	64,949,656,442
Net cash generated by investing activities	30	145,227,530,268	184,870,517,804

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENT (Continued)For the year ended 31 December 2018
(Indirect method)

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,002,218,668,508	1,980,885,374,144
2. Repayment of borrowings	34	(1,171,470,600,302)	(3,130,536,926,739)
3. Repayment of obligations under finance leases	35	(5,682,884,600)	(5,334,279,000)
4. Dividends and profits paid	36	(47,652,257,775)	(17,752,752,900)
Net cash (used in) financing activities	40	(222,587,074,169)	(1,172,738,584,495)
Net (decrease)/ increase in cash (50=20+30+40)	50	(912,190,745,532)	161,140,054,746
Cash and cash equivalents at the beginning of the year	60	2,587,152,145,416	2,427,223,703,585
Effect of changes in foreign exchange rates	61	(4,090,681,938)	(1,211,612,915)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	1,670,870,717,946	2,587,152,145,416


 To Phi Son
Preparer


 Bui Duc Kien
Chief Accountant


 Le Van Tuan
Chief Executive Officer

28 March 2019

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

1. GENERAL INFORMATION**Structure of ownership**

Vietnam Machinery Installation Corporation – JSC (the “Corporation”) 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.

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 Corporate Registration Certificate No. 0100106313 first registered on 01 September 2010.

Under the second amended Corporate 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 with the charter capital of VND 797,261,040,000.

The Corporation's shares have been transacted on Hanoi Stock Exchange's Unlisted Public Company Market (UPCOM) with the symbol of LLM since 16 August 2017.

The head office of the Corporation is located at No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi.

The number of employees as at 31 December 2018 was 678 (as at 31 December 2017: 669).

Operating industry and principal activities

- 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;
- Housing business development, construction consultancy, production and business of building materials;
- Investment and construction of works including: industrial (hydropower, thermal power, cement, petrochemical, paper and steel), civil, transportation, irrigation, water supply and drainage and urban technical infrastructure works;
- 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 industrial projects, civil and technical infrastructure investment projects such as: project formulation, designing (only within the field of registered industry) and set up total cost estimate, supervision consultancy, project management, technology equipment supply and automatic control;
- 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;
- Translation of specialized standards and materials in the field of manufacturing and installation of equipment and new technological lines;
- 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 accordance with laws.

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

Normal production and business 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

As at 31 December 2018, the Corporation had 10 subsidiaries and 09 associates. Summary of the Corporation's subsidiaries and associates as at 31 December 2018 is as follows:

No.	Name	Main activities	Proportion of ownership interest %	Proportion of voting power held %	Relationship
1	Lilama South East Asia SDN BHD Co., Ltd (i)	Construction and installation	99.00%	100.00%	Subsidiary
2	Lilama 5 Joint Stock Company	Construction and installation	51.00%	51.00%	Subsidiary
3	Lilama 7 Joint Stock Company	Construction and installation	51.00%	51.00%	Subsidiary
4	Lilama 10 Joint Stock Company	Construction and installation	51.05%	51.05%	Subsidiary
5	Lilama 18 Joint Stock Company	Construction and installation	51.00%	51.00%	Subsidiary
6	Lilama 69.1 Joint Stock Company	Construction and installation	51.00%	51.00%	Subsidiary
7	Lilama 69.3 Joint Stock Company (ii)	Construction and installation	66.42%	66.42%	Subsidiary
8	Lilama Erection Mechanical Joint Stock Company	Construction and installation	51.00%	51.00%	Subsidiary
9	LHT International Consulting Joint Stock Company	Industrial factory design consulting	60.00%	60.00%	Subsidiary
10	Lisemco Joint Stock Company	Construction, installation and ship building	79.98%	79.98%	Subsidiary
11	Lilama Engineering Construction and Technology Joint Stock Company	Design consulting	45.45%	45.45%	Associate
12	Lilama 69.2 Joint Stock Company	Construction and installation	44.96%	44.96%	Associate
13	Lilama 45.3 Joint Stock Company	Construction and installation	40.83%	40.83%	Associate
14	Erection Electromechanics Testing Joint Stock Company	Technological line testing	36.18%	36.18%	Associate
15	Lilama 45.1 Joint Stock Company (iii)	Construction and installation	36.00%	36.00%	Associate
16	Lilama 45.4 Joint Stock Company	Construction and installation	35.06%	35.06%	Associate
17	CIMAS Engineering Company Limited	Design consulting	33.00%	33.00%	Associate
18	Lilama Land Joint Stock Company	Real estate	27.93%	27.93%	Associate
19	Lilama Construction Investment Joint Stock Company	Construction and real estate	27.72%	36.72%	Associate

- (i) According to Resolution No. 123/NQ-HDQT dated 05 April 2018 of the Board of Directors, the Corporation agreed the plan to contribute capital to establish Lilama South East Asia SDN BHD Co., Ltd in Brunei with the charter capital of BND 3,800,000 (equivalent to USD 3,000,000), in which the Corporation contributes BND 3,762,000 (equivalent to USD 2,970,000 and 99% of the charter capital) and Lilama 69.1 Joint Stock Company contributes BND 38,000 (equivalent to USD 30,000 and 1% of the charter capital). As at 31 December 2018, the Corporation had fully contributed capital in accordance with the progress of capital contribution to Lilama South East Asia SDN BHD Co., Ltd (equivalent to 99% of real capital of this subsidiary).
- (ii) During the year, Lilama 69.3 Joint Stock Company issued shares to increase share capital from owners' equity and offer shares to existing shareholders. The policy of the Corporation is not to buy additional shares issued by Lilama 69.3 Joint Stock Company but to register to auction the right to purchase additional shares. As a result, the Corporation's ownership rate in Lilama 69.3 Joint Stock Company fell from 66.77% to 66.42%.
- (iii) During the year, the Corporation transferred a portion of its investment in Lilama 45.1 Joint Stock Company through auction. Accordingly, the Corporation's ownership rate in Lilama 45.1 Joint Stock Company decreased from 51% to 36%. As at 31 December 2018, Lilama 45.1 Joint Stock Company was the associate of the Corporation.

Disclosure of information comparability in the separate financial statements of the Corporation

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2017.

Some figures of the separate financial statements for the year ended 31 December 2017 have been retrospectively adjusted as stated in Note 4.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Equitization finalization

The separate financial statements for the year ended 31 December 2018 of the Corporation included adjustments according to the conclusion of the State audit dated 07 March 2019 on the settlement of the state capital portion at the time of official transformation into a joint stock company. As of the issue date of this report, the works related to equitization settlement are being carried out and the Corporation has not received any decision of competent authorities on approval for the equitization finalization at the date of official transformation into a joint stock company.

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these separate financial statements, are as follows:

Estimates

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Investments in subsidiaries and associates

Investment in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries and associates are initially recognised at cost, adjusted according to the revaluation value at the time of official transformation into a joint stock company. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the balance sheet at revaluated amount at the official transformation date less provision for impairment of such investments.

Provisions for impairment of investments in subsidiaries and associates are made for investments in which the investee enterprise receives losses resulting in investors having potential loss of capital or provision for impairment value of investments in subsidiaries and associates in accordance with current accounting regulations.

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at revaluated amount at the official transformation date less provision for impairment.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables of the Corporation is made in accordance with prevailing accounting regulations.

Inventories

Inventories are stated at cost. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories are recorded using the perpetual inventory method.

Work in progress at the end of the year includes direct material costs, direct labor costs, construction machine expenses, overheads collected and allocated to construction works, services, survey and design which are not completed at the end of the year or have been completed but have not been accepted and taken over by customers. Work in progress is determined or valued based on unfinished work volume at the end of the year.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Buildings, structures	05 - 35
Machinery, equipment	03 - 15
Motor vehicles and transmission equipment	04 - 20
Management tool and equipment	03 - 05
Others	03 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Tangible fixed assets of the Corporation are revalued when wholly State-owned enterprises are equitised, the cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Corporation's general policy on borrowing costs (see below).

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives, as follows:

	Years
Motor vehicles	06 - 08
Machinery, equipment	20

Intangible assets and amortisation

Intangible assets represent land use rights and computer software that are stated at cost less accumulated amortisation.

Cost of land use rights includes total actual cost that the Corporation has spent to obtain the land use right certificate of the 21-storey building at No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi. Indefinite land use rights are not amortized.

Computer software is initially recorded at purchase price and amortised using the straight-line method from 03 years to 05 years.

Intangible assets are revalued when wholly state-owned enterprises are equitised, the cost and accumulated amortisation of intangible assets are adjusted based on the revaluation value approved by competent authorities as regulated.

Investment properties

Investment properties are composed of buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives of 12 - 25 years.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Corporation's accounting policy. Such costs will be included in the costs of the fixed assets when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments include land rentals and other types of prepayments. Land rentals represent rentals that have been paid in advance. Other types of prepayments comprise costs of small tools, supplies and spare parts issued for consumption, software copyright and assets insurance premium. In addition, the Corporation also records trademark value under revaluation minutes dated 30 June 2014 approved by competent authorities.

Prepaid land rentals are allocated to the income statement using the straight-line method based on lease term. Tools, supplies and spare parts are capitalized as prepayments and allocated into the income statement under the straight-line method in accordance with prevailing accounting regulations. The trademark value is allocated into the income statement within 05 years since the official transformation date.

Payable provisions

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Bonds issued

The Corporation issues straight bonds to supplement long-term capital resources for the Corporation's business.

Book value of the straight bonds is equal to their face value at the issue date.

The cost of issuing bonds is allocated correspondingly to the bonds terms using the straight line method and recorded into financial expenses. At the time of initial recognition, bond issuance costs are recorded to reduce the par value of bonds. Periodically, the cost of issuing bonds is allocated by increasing the value of bonds' par value and recording them into financial expenses in accordance with the current accounting regulations.

Accrued expenses

Accrued expenses are recognized based on reasonable estimates of the amount payable for goods and services utilized in the year.

Accrued expenses include interest expenses, expenses for construction and installation works and other payables.

Interest expenses are estimated based on the amount of loans, the term and the real interest rate from time to time.

Accrued expenses for construction and installation works are costs accrued in accordance with construction contract revenue which is recognized on the basis of the final acceptance report between the Corporation and the investor and between the Corporation and the subcontractors.

Revenue recognition

Revenue from the sale of goods

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;

- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from construction contracts is recognised in accordance with the Corporation's accounting policy on construction contracts (see below).

Interest from investments is recognised when the Corporation's right to receive payment has been established.

Construction contracts

Where the outcome of a construction contract can be estimated reliably and agreed by customers, revenue and costs are recognised by reference to the stage of completion of the contract activity agreed by customers in the year.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable of recovery.

Unearned revenue

Unearned revenue mainly reflects amounts received in advance under real estate lease contracts between the Corporation and customers for future lease periods. In addition, the Corporation also recognized unearned revenue for invoices which have been issued but all the obligations thereto according to contracts have not yet been fulfilled.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.



Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

As at 31 December 2018, the Corporation did not have any significant temporary difference between the carrying amount of assets or liabilities on the balance sheet with the basis of calculating corporate income tax.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. RETROSPECTIVE ADJUSTMENT OF SOME FIGURES OF THE SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The Board of Directors and Board of Management decided to make a retrospective adjustment of some figures of the separate financial statements for the year ended 31 December 2017 due to the impact of adjustments according to the State auditors' report on 07 March 2019 about the settlement of the state capital portion at the time of official transformation into a joint stock company of the parent company - Vietnam Machinery Installation Corporation - JSC. Details are as follows:

The Balance sheet as at 31 December 2017:

No.	Items	Codes	Previously reported amount	Retrospective	Amount after retrospective
			VND	VND	VND
I.	Short-term receivables	130			
	1. Other short-term receivables	136	302,967,512,595	200,000,000	303,167,512,595
II.	Current liabilities	310			
	1. Other current payables	319	37,991,556,979	9,725,298,101	47,716,855,080
III.	Owner's equity	410			
	1. Retained earnings accumulated to the prior year end	421a	20,079,409,952	(9,525,298,101)	10,554,111,851

5. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Cash on hand	260,420,832	262,848,166
Bank demand deposits	757,550,642,545	1,134,639,639,846
Cash equivalents (i)	913,059,654,569	1,452,249,657,404
	1,670,870,717,946	2,587,152,145,416

- (i) Represent the balance of time deposits with original terms of less than 3 months at commercial banks, as follows:

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Joint Stock Commercial Bank for Investment and Development of Vietnam - Operation Branch 1	9,769,654,569	9,093,657,404
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head Office	235,240,000,000	181,320,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Hanoi Branch	321,550,000,000	684,300,000,000
Sai Gon Joint Stock Commercial Bank - Head Office	61,500,000,000	84,736,000,000
Tien Phong Joint Stock Commercial Bank - Thang Long Branch	235,000,000,000	230,000,000,000
Vietnam Public Joint Stock Commercial Bank - Head Office	-	13,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank - Head Office	-	20,000,000,000
LienViet Post Joint Stock Commercial Bank - Dong Do Branch	-	50,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Chuong Duong Branch	-	3,800,000,000
Vietnam Export Import Commercial Joint Stock Bank - Cau Giay Branch	50,000,000,000	176,000,000,000
	913,059,654,569	1,452,249,657,404

VIETNAM MACHINERY INSTALLATION CORPORATION - JSC
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

6. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Book value VND	Provision VND	Fair value VND	Book value VND	Provision VND	Fair value VND
a. Investments in subsidiaries	536,098,837,129	2,383,817,259		542,517,705,172	54,621,614,146	
Lilama 5 Joint Stock Company	9,180,000,000	-	9,980,700,000	9,180,000,000	-	8,667,450,000
Lilama 7 Joint Stock Company	7,905,000,000	-	8,925,000,000	7,905,000,000	-	8,670,000,000
Lilama 10 Joint Stock Company	73,899,000,000	-	145,916,100,000	73,899,000,000	-	82,298,700,000
Lilama 18 Joint Stock Company	122,820,138,000	-	125,702,193,750	122,820,138,000	-	110,139,065,000
Lilama South East Asia SDN BHD Co., Ltd (i)	64,336,340,000	-		-	-	
Lilama 45.1 Joint Stock Company (ii)	-	-		26,786,717,846	-	
Lilama 69.1 Joint Stock Company	35,776,500,000	-	38,638,620,000	35,776,500,000	-	31,683,668,400
Lilama 69.3 Joint Stock Company (iii)	69,713,251,842	-		69,713,251,842	-	
Lilama Erection Mechanical Joint Stock Company	8,492,667,900	-	7,660,053,400	8,492,667,900	-	8,326,145,000
LHT International Consulting Joint Stock Company (iv)	6,990,040,928	-		20,430,040,928	-	
Song Vang Hydropower Joint Stock Company (v)	-	-		30,528,490,197	-	
Lisenco Joint Stock Company	136,985,898,459	2,383,817,259		136,985,898,459	54,621,614,146	
b. Investments in associates	190,362,903,176	15,805,538,203		171,454,631,755	11,622,580,390	
Lilama 45.1 Joint Stock Company (ii)	18,908,271,421	4,293,231,192		-	-	
Lilama 45.3 Joint Stock Company	7,002,100,000	-	4,715,700,000	7,002,100,000	-	6,430,500,000
Lilama 45.4 Joint Stock Company	5,188,680,200	5,188,680,200		5,188,680,200	5,188,680,200	
Lilama Land Joint Stock Company (Lilama Land)	29,697,241,118	-		29,697,241,118	-	
Electromechanics Testing Joint Stock Company	3,907,800,000	-		3,907,800,000	-	
CIMAS Consulting and Design Joint Stock Company	23,380,334,584	-		23,380,334,584	68,384,824	
Lilama Engineering Construction and Technology Joint Stock Company	1,100,135,974	47,304,405		1,100,135,974	-	
Lilama 69.2 Joint Stock Company	14,629,473,600	-	24,621,399,000	14,629,473,600	-	27,978,862,500
Lilama Construction Investment Joint Stock Company	86,548,866,279	6,276,322,406		86,548,866,279	6,365,515,366	

VIETNAM MACHINERY INSTALLATION CORPORATION - JSC
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

	Closing balance			Opening balance		
	Book value	Provision	Fair value	Book value	Provision	Fair value
	VND	VND	VND	VND	VND	VND
c. Equity investments in other entities	162,410,715,985	19,799,036,703		162,410,715,985	19,799,036,703	
PetroVietnam Marine Shipyard Joint Stock Company	19,799,036,703	19,799,036,703		19,799,036,703	19,799,036,703	
Phu My Trung Viet Joint Stock Company (Lilama SHB)	2,165,892,592	-		2,165,892,592	-	
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 Mechanics & Environmental Corporation	2,863,166,195	-		2,863,166,195	-	
	888,872,456,290	37,988,392,165		876,383,052,912	86,043,231,239	

- (i) According to Resolution No. 123/NQ-HDQT dated 05 April 2018 of the Board of Directors, the Corporation agreed the plan to contribute capital to establish Lilama South East Asia SDN BHD Co., Ltd in Brunei with the charter capital of BND 3,800,000 (equivalent to USD 3,000,000) , in which the Corporation contributes BND 3,762,000 (equivalent to USD 2,970,000 and 99% of the charter capital) and Lilama 69.1 Joint Stock Company contributes BND 38,000 (equivalent to USD 30,000 and 1% of the charter capital). As at 31 December 2018, the Corporation had fully contributed capital in accordance with the progress of capital contribution to Lilama South East Asia SDN BHD Co., Ltd (equivalent to 99% of real capital of this subsidiary).
- (ii) During the year, the Corporation transferred a portion of its investment in Lilama 45.1 Joint Stock Company through auction. Accordingly, the Corporation's ownership rate in Lilama 45.1 Joint Stock Company decreased from 51% to 36%. As at 31 December 2018, Lilama 45.1 Joint Stock Company was the associate of the Corporation.
- (iii) During the year, Lilama 69.3 Joint Stock Company issued shares to increase share capital from owners' equity and offer shares to existing shareholders. The policy of the Corporation is not to buy additional shares issued by Lilama 69.3 Joint Stock Company but to register to auction the right to purchase additional shares. As a result, the Corporation's ownership rate in Lilama 69.3 Joint Stock Company fell from 66.77% to 66.42%.
- (iv) According to the Minutes of the general shareholder's meeting of LHT International Consultant Joint Stock Company dated 12 December 2018, LHT International Consulting Joint Stock Company will reduce its charter capital from VND 32 billion to VND 9.6 billion and repay capital to shareholders. On 24 December 2018, Hanoi Authority for Planning and Investment issued the second amended Corporate Registration Certificate to LHT International Consulting Joint Stock Company with the charter capital after adjustment of VND 9.6 billion. Accordingly, the Corporation has reduced the value of the investment in LHT International Consulting Joint Stock Company to other short-term receivables corresponding to the charter capital that will be received.
- (v) During the year, the Corporation transferred 7,978,992 shares of Song Vang Joint Stock Company, equivalent to 53.84% of the charter capital by order matching transactions on the UPCOM. As at 31 December 2018, Song Vang Joint Stock Company was no longer a subsidiary of the Corporation.

Except for the fair values of investments in listed companies on HNX and HOSE are determined at the closing value at the balance sheet date, the Corporation did not determine fair value of the remaining financial investments at the balance sheet date because prevailing regulations have no detailed instructions for the assessment of fair value of financial investments.

The major transactions between the Corporation with subsidiaries and associates during the year are presented in Note 36.

Operation performance of subsidiaries and associates during the year are as follows:

	<u>Current year</u>	<u>Prior year</u>
<i>Subsidiaries</i>		
Lilama 5 Joint Stock Company	Making loss from business	Making profit from business
Lilama 7 Joint Stock Company	Making profit from business	Making loss from business
Lilama 10 Joint Stock Company	Making profit from business	Making profit from business
Lilama 18 Joint Stock Company	Making profit from business	Making profit from business
Lilama South East Asia SDN BHD Co., Ltd	Making loss from business due to recently establishing	Not yet operating
Lilama 69.1 Joint Stock Company	Making profit from business	Making profit from business
Lilama 69.3 Joint Stock Company	Making profit from business	Making profit from business
Lilama Erection Mechanical Joint Stock Company	Making profit from business	Making profit from business
LHT International Consulting Joint Stock Company	Making profit from business	Making profit from business
Lisemco Joint Stock Company	Making loss from business	Making loss from business
<i>Associates</i>		
Lilama 45.1 Joint Stock Company	Making loss from business	Making profit from business
Lilama 45.3 Joint Stock Company	Making loss from business	Making profit from business
Lilama 45.4 Joint Stock Company	Making loss from business	Making loss from business
Lilama Land Joint Stock Company (Lilama Land)	Making profit from business	Making profit from business
Electromechanics Testing Joint Stock Company	Making profit from business	Making profit from business
CIMAS Consulting and Design Joint Stock Company	Making profit from business	Making loss from business
Lilama Engineering Construction and Technology Joint Stock Company	Making loss from business	Making loss from business
Lilama 69.2 Joint Stock Company	Making profit from business	Making profit from business
Lilama Construction Investment Joint Stock Company	Making profit from business	Making profit from business

7. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Management Board of Song Hau 1 Petroleum Power Project-PVN	1,636,172,250,267	1,184,744,843,132
Thai Binh 2 Thermal Power Plant Project Management Board - PVC	398,711,959,245	241,387,048,092
Song Thao Cement Joint Stock Company	116,263,060,588	156,217,320,810
Doosan Heavy Industries Vietnam, Co. LTD. - VT4	174,289,218,233	85,035,328,290
Doosan Heavy Industries Vietnam, Co. LTD. - VT4 extended	125,321,392,450	-
Son La Hydropower Management Board	54,351,065,910	105,220,544,820
Others	304,573,375,678	378,289,980,086
	2,809,682,322,371	2,150,895,065,230
Trade receivables from related parties (details presented in Note 36)	114,316,019,391	29,564,521,844

8. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
Bach Dang Construction Corporation	453,752,587,741	453,752,587,741
Van Hoi Phat Trading & Technology Co., Ltd	112,607,069,608	-
PetroVietnam Construction Joint Stock Corporation	85,209,720,635	244,056,137,776
HAMON RESEARCH-COTTRELL ITALIA S.P.A	160,673,275,607	-
Hanoi Construction Corporation - Joint Stock Company	20,677,022,291	181,458,342,696
Vung Ang Thermal Power Project Management Board	46,716,011,731	50,646,280,524
Others	422,251,824,089	289,100,020,643
	1,301,887,511,702	1,219,013,369,380
Advances to related parties (details presented in Note 36)	226,657,948,704	118,593,617,182

9. SHORT-TERM LOAN RECEIVABLES

	Closing balance VND	Opening balance VND
Loan receivables from related parties (details presented in Note 36)	384,317,943,381	398,527,212,982
Others	13,973,308,000	13,973,308,000
	398,291,251,381	412,500,520,982

10. OTHER RECEIVABLES

	Closing balance VND	Opening balance (Retrospective adjusted) VND
a. Short-term		
Receivable from equitization	200,000,000	200,000,000
Receivable from support to Lilama 18 Joint Stock Company (i)	25,021,182,696	25,021,182,696
Receivable regarding land use rights of the 21-storey apartment building	49,891,712,464	51,941,337,953
Advances to employees	12,777,137,301	3,926,681,937
Short-term mortgages and deposits	6,129,125,647	4,101,037,734
Interest on loan receivables (ii)	171,740,203,344	138,375,522,922
Receivable from contributed capital repayment (iii)	13,440,000,000	-
Others	75,824,730,562	79,601,749,353
	355,024,092,014	303,167,512,595
b. Long-term		
Long-term mortgages and deposits	9,501,000,000	14,601,000,000
	9,501,000,000	14,601,000,000
Trade receivables from related parties (details presented in Note 36)	170,122,995,125	122,942,858,906

- (i) Represent the remaining amount related to expenses to support the relocation of office and construction of the high-rise complex building in District 9, Ho Chi Minh City.
- (ii) Represent unpaid interest on loan receivables of the Corporation as at 31 December 2018.
- (iii) Represent the amount LHT International Consulting Joint Stock Company has announced to repay the charter capital to shareholders but the Corporation has not received as at 31 December 2018.

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11. BAD DEBTS

	Closing balance				Opening balance			
	Cost	Recoverable amount	Provision	Overdue duration	Cost	Recoverable amount	Provision	Overdue duration
	VND	VND	VND		VND	VND	VND	
Debtors								
a. Trade receivables	318,430,412,465	141,601,373,887	176,829,038,578		185,036,086,233	78,108,660,405	106,927,425,828	
Thai Binh 2 Thermal Power Plant Project Management Board	172,218,731,375	105,703,988,860	66,514,742,515	From 6 months to 3 years	-	-	-	
Song Thao Cement Joint Stock Company	116,263,060,588	34,878,918,176	81,384,142,412	From 2 to 3 years	156,217,320,810	78,108,660,405	78,108,660,405	From 1 to 2 years
Song Vang Hydropower Joint Stock Company	15,097,651,580	-	15,097,651,580	Over 3 years	17,284,679,580	-	17,284,679,580	Over 3 years
Song Gianh Cement Joint Stock Company	2,637,621,850	-	2,637,621,850	Over 3 years	2,637,621,850	-	2,637,621,850	Over 3 years
Vietnam Construction Import and Export Joint Stock Corporation	5,606,090,535	-	5,606,090,535	Over 3 years	5,606,090,535	-	5,606,090,535	Over 3 years
Lilama 45.4 Joint Stock Company	3,316,883,079	1,018,466,851	2,298,416,228	From 1 to 3 years	-	-	-	
Mariani Battista Spa - Italy	1,968,980,309	-	1,968,980,309	Over 3 years	1,968,980,309	-	1,968,980,309	Over 3 years
Others	1,321,393,149	-	1,321,393,149	Over 3 years	1,321,393,149	-	1,321,393,149	Over 3 years
b. Loan receivables	394,669,416,394	-	394,669,416,394		268,374,841,814	68,294,009,968	200,080,831,846	
Lilama SHB Investment Construction Joint Stock Company	13,973,308,000	-	13,973,308,000	Over 3 years	13,973,308,000	-	13,973,308,000	Over 3 years
Lilama 45.1 Joint Stock Company	127,425,130,046	-	127,425,130,046	Over 3 years	-	-	-	
Lilama 45.3 Joint Stock Company	25,624,278,455	-	25,624,278,455	Over 3 years	26,754,833,921	-	26,754,833,921	Over 3 years
Lisemco Joint Stock Company	227,646,699,893	-	227,646,699,893	Over 3 years	227,646,699,893	68,294,009,968	159,352,689,925	Over 3 years
c. Other short-term receivables	225,041,642,650	52,144,956,185	172,896,686,465		181,272,868,014	38,055,688,175	143,217,179,839	
Lilama SHB Investment Construction Joint Stock Company	11,112,235,998	1,452,137,215	9,660,098,783	From 6 months to 3 years	10,561,299,517	2,200,827,055	8,360,472,462	From 6 months to 3 years
Lisemco Joint Stock Company	106,586,973,429	35,842,972,903	70,744,000,526	From 6 months to 3 years	85,854,978,223	35,854,861,120	50,000,117,103	From 6 months to 3 years
Lilama Hanoi Joint Stock Company	75,867,468,383	-	75,867,468,383	Over 3 years	75,867,468,383	-	75,867,468,383	Over 3 years
Lilama 45.1 Joint Stock Company	17,079,716,908	12,883,997,222	4,195,719,686	From 6 months to 2 years	-	-	-	
Lilama 45.3 Joint Stock Company	2,274,137,841	1,965,848,845	308,288,996	From 6 months to 1 year	-	-	-	
Lilama 45.4 Joint Stock Company	3,131,988,200	-	3,131,988,200	Over 3 years	-	-	-	
Vien Dong Insurance Joint Stock Company - Hanoi Branch	8,330,407,947	-	8,330,407,947	Over 3 years	8,330,407,947	-	8,330,407,947	Over 3 years
Others	658,713,944	-	658,713,944	Over 3 years	658,713,944	-	658,713,944	Over 3 years

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	Closing balance				Opening balance			
	Cost	Recoverable amount	Provision	Overdue duration	Cost	Recoverable amount	Provision	Overdue duration
	VND	VND	VND		VND	VND	VND	
Debtors								
<i>d. Advances to suppliers</i>	81,393,958,336	37,067,519,380	44,326,438,956		2,434,517,407	-	2,434,517,407	
Lisemco Joint Stock Company	66,898,435,509	33,449,217,754	33,449,217,755	From 1 to 2 years	-	-	-	
Lilama Hanoi Joint Stock Company	12,061,005,420	3,618,301,626	8,442,703,794	From 2 to 3 years	-	-	-	
Cavico Vietnam Company Limited	1,412,449,313	-	1,412,449,313	Over 3 years	1,412,449,313	-	1,412,449,313	Over 3 years
Others	1,022,068,094	-	1,022,068,094	Over 3 years	1,022,068,094	-	1,022,068,094	Over 3 years
Total	1,019,535,429,845	230,813,849,452	788,721,580,393		637,118,313,468	184,458,358,548	452,659,954,920	

As at 31 December 2018, the Corporation made provision for bad debts according to regulations of Circular No. 228/2009/TT-BTC dated 07 December 2009 of the Ministry of Finance. The cost is the value of the overdue debt which is determined as a bad debt, the recoverable amount of the bad debts is determined at cost less provision.

12. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	19,571,153,139	1,674,114,100	7,409,773,945	2,248,244,330
Tools and supplies	67,276,000	-	32,112,000	-
Work in progress (i)	686,273,864,728	-	670,210,197,100	-
Total	705,912,293,867	1,674,114,100	677,652,083,045	2,248,244,330

(i) Work in progress includes works which are under construction.

As at 31 December 2018, the work in progress by construction work was as follows:

	Closing balance	Opening balance
	VND	VND
Nghi Son Refinery Plant	-	3,919,472,350
Thai Binh 2 Thermal Power Plant	41,666,226,335	136,656,769,240
Long Phu Substation	72,653,083,360	-
Song Hau 1 Thermal Power Plant	194,112,308,499	135,429,690,213
Vung Ang 1 Thermal Power Plant (ii)	330,776,333,510	330,019,923,403
A/U Brunei Nitrogen fertilizer plant	10,664,352,967	-
Long Phu 1 Thermal Power Plant	16,443,869,013	30,944,557,354
Vinh Tan 4 Thermal Power Plant	-	11,857,150,309
Other constructions	19,957,691,044	21,382,634,231
	686,273,864,728	670,210,197,100

(ii) Work in progress of Vung Ang 1 Thermal Power Plant as at 31 December 2018 included an amount of VND 311,325,722,602 that reflected the value of machinery and equipment replaced by the Corporation for the investor because of defection during operation.

13. PREPAYMENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Short-term		
Prepayments for Corporation's office	53,722,972	360,033,986
Prepayments for crane leasing	110,833,333	-
Prepayments for Song Hau 1 Thermal Power construction	806,581,676	195,864,960
Prepayments for Long Phu construction	170,404,543	12,565,982
Prepayments for other constructions	254,221,082	9,383,332
	1,395,763,606	577,848,260
b. Long-term		
Prepayments for Nghi Son Refinery Construction	-	11,550,000
Prepayments for Long Phu Construction	4,933,326	5,751,862,383
Prepayments for Corporation's office	2,165,022,597	1,847,326,199
Prepayments for crane leasing	5,484,635,774	3,888,712,149
Prepayments for Vinh Tan 4 Power Project Management Board	152,987,881	131,951,525
Prepayments for Song Hau 1 Thermal Power Construction	5,706,479,479	12,967,776,983
Prepayment for for Brunei A/U Fertilizer Plant	2,316,002,849	-
Prepayment for Bac Vinh Project	416,080,808	-
Differences from enterprise revaluation	2,554,042,243	4,356,467,559
	18,800,184,957	28,955,646,798

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14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

COST	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Management tool and equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Opening balance	87,010,902,297	13,513,463,261	282,191,916,306	10,394,636,367	37,271,601,909	430,382,520,140
Transferred from construction in progress	627,736,610	-	-	-	-	627,736,610
Addition	-	-	2,000,000	53,636,363	-	55,636,363
Acquisition of financial leasing assets	-	-	2,060,009,091	-	-	2,060,009,091
Disposals	-	(76,160,660)	(8,692,389,233)	(2,639,941,252)	(277,166,667)	(11,685,657,812)
Closing balance	87,638,638,907	13,437,302,601	275,561,536,164	7,808,331,478	36,994,435,242	421,440,244,392
ACCUMULATED DEPRECIATION						
Opening balance	32,764,597,815	5,126,830,432	220,451,912,490	8,828,521,709	34,060,618,861	301,232,481,307
Charge for the year	3,804,697,448	1,497,941,136	15,712,181,801	565,425,423	1,722,913,163	23,303,158,971
Acquisition of financial leasing assets	-	-	1,072,703,886	-	-	1,072,703,886
Disposals	-	(76,160,660)	(8,105,136,043)	(2,639,941,252)	(241,653,461)	(11,062,891,416)
Closing balance	36,569,295,263	6,548,610,908	229,131,662,134	6,754,005,880	35,541,878,563	314,545,452,748
NET BOOK VALUE						
Opening balance	54,246,304,482	8,386,632,829	61,740,003,816	1,566,114,658	3,210,983,048	129,150,038,833
Closing balance	51,069,343,644	6,888,691,693	46,429,874,030	1,054,325,598	1,452,556,679	106,894,791,644

As stated in Note 25, the net book value of tangible fixed assets used to secure bond issuance as at 31 December 2018 was VND 59,030,110,109 (as at 31 December 2017: VND 77,586,156,601).

The cost of tangible fixed assets includes VND 98,571,326,240 (as at 31 December 2017: VND 16,851,228,647) of assets which have been fully depreciated but are still in use.

15. INCREASES, DECREASES IN FINANCE LEASE ASSETS

	Machinery, equipment VND	Motor vehicles VND	Total VND
COST			
Opening balance	23,522,000,000	13,720,687,273	37,242,687,273
Additions	-	865,807,273	865,807,273
Transfer to tangible fixed assets	-	(2,060,009,091)	(2,060,009,091)
Closing balance	23,522,000,000	12,526,485,455	36,048,485,455
ACCUMULATED DEPRECIATION			
Opening balance	1,862,158,327	4,413,176,280	6,275,334,607
Charge for the year	1,176,099,996	1,769,844,140	2,945,944,136
Transfer to tangible fixed assets	-	(1,072,703,886)	(1,072,703,886)
Closing balance	3,038,258,323	5,110,316,534	8,148,574,857
NET BOOK VALUE			
Opening balance	21,659,841,673	9,307,510,993	30,967,352,666
Closing balance	20,483,741,677	7,416,168,921	27,899,910,598

16. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
Opening balance	10,597,679,212	211,200,000	10,808,879,212
Additions		1,526,849,000	1,526,849,000
Closing balance	10,597,679,212	1,738,049,000	12,335,728,212
ACCUMULATED AMORTISATION			
Opening balance	-	84,480,000	84,480,000
Charge for the year	-	136,641,954	136,641,954
Closing balance	-	221,121,954	221,121,954
NET BOOK VALUE			
Opening balance	10,597,679,212	126,720,000	10,724,399,212
Closing balance	10,597,679,212	1,516,927,046	12,114,606,258

17. INCREASES, DECREASES IN INVESTMENT PROPERTIES

	Buildings and structures VND
COST	
Opening balance	56,376,553,129
Transferred from construction in progress	751,410,391
Closing balance	57,127,963,520
ACCUMULATED DEPRECIATION	
Opening balance	27,875,710,036
Charge for the year	2,300,981,650
Closing balance	30,176,691,686
NET BOOK VALUE	
Opening balance	28,500,843,093
Closing balance	26,951,271,834

The investment property of the Corporation represents the value of infrastructure investment in Bac Vinh Industrial Zone, Vinh City, Nghe An Province for long-term lease.

According to VAS No. 05 - *Investment Properties*, the fair value of investment properties as at 31 December 2018 is required to be disclosed. However, the Corporation could not determine the fair value as at 31 December 2018; therefore, no information about the fair value is disclosed in the Notes to the separate financial statements. In order to determine the fair value, the Corporation would require an independent consultancy company to perform the valuation. At present, the Corporation has not found a suitable consultancy company yet.

18. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Bac Vinh Investment & Development Company	-	3,000,000
High-rise housing and office complex in District 9, Ho Chi Minh City	35,570,711,953	35,560,711,953
The Corporation's office building on Ring Road 3 project	4,025,382,349	4,025,382,349
	39,596,094,302	39,589,094,302

19. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	VND Amount	VND Amount able to be paid off	VND Amount	VND Amount able to be paid off
Doosan Heavy Industries and Construction Co., Ltd (Song Hau 1 Thermal Project)	1,926,769,087,016	1,926,769,087,016	2,208,116,742,938	2,208,116,742,938
Babcock & Wilcox Beijing Co., Ltd.	290,846,386,686	290,846,386,686	284,649,625,056	284,649,625,056
Toshiba Corporation and Sojitz Corporation Joint Venture	190,564,768,367	190,564,768,367	186,498,162,287	186,498,162,287
Others	1,084,721,722,184	1,084,721,722,184	1,172,488,593,693	1,172,488,593,693
	3,492,901,964,253	3,492,901,964,253	3,851,753,123,974	3,851,753,123,974
Trade payables to related parties (details presented in Note 36)	268,413,334,150	268,413,334,150	422,404,610,858	422,404,610,858

20. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Management Board of Construction Investment Project under the Health Service of Kien Giang Province	146,428,561,000	290,151,989,000
Advance from PVI Insurance Corporation (i)	150,700,200,000	150,700,200,000
Tan Thang Cement Joint Stock Company	106,094,319,655	-
Branch of PetroVietnam Technical Services Corporation - Long Phu 1 Thermal Power Plant Management Board	78,509,402,896	74,710,805,914
Doosan Heavy Industries & Construction Co., Ltd.	28,847,781,261	219,679,971,691
Others	104,726,086,416	72,472,886,067
	615,306,351,228	807,715,852,672

- (i) Reflects an advance received from PVI Insurance Corporation for the compensation of the rotor damage of Vung Ang Thermal Power Plant according to temporary agreement between parties.

21. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
a. Receivables				
Corporate income tax	11,574,774,254	10,069,353,658	20,651,456,936	22,156,877,532
Import/export duties	1,743,892,812	48,806,371,007	48,806,371,007	1,743,892,812
Output value added tax	5,082,613,919	77,399,297,172	77,910,179,765	5,593,496,512
	18,401,280,985	136,275,021,837	147,368,007,708	29,494,266,856
b. Payables				
Corporate income tax	42,023,449	629,943,005	452,023,449	219,943,005
Output value added tax	229,866,704	11,888,451,973	11,991,026,931	127,291,746
Value added tax on imports	-	356,282,409,590	356,282,409,590	-
Personal income tax	158,613,197	3,674,365,552	3,830,106,102	2,872,647
Land & housing tax, land rental charges	-	1,707,159,479	1,707,159,479	-
Other taxes	-	5,106,421,207	5,004,402,340	102,018,867
	430,503,350	379,288,750,806	379,267,127,891	452,126,265

22. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Management Board of Song Hau 1 Petroleum Power Project - PVN	673,131,302,182	392,863,473,096
JGCS CONSORTIUM	9,405,155,960	167,335,406,990
Management Board of Son La HydroPower Plant Project	94,066,705,224	109,147,380,592
Vung Ang 1 Thermal Power Plant Project	115,594,140,454	120,887,402,956
Thai Binh 2 Thermal Power Construction	94,679,751,234	76,638,145,016
Interest payables on bonds	20,846,150,000	31,730,377,778
Doosan Heavy Industries Vietnam Co., Ltd. - Extended Vinh Tan 4 Thermal Power Project	67,408,698,867	19,847,454,442
Doosan Heavy Industries Vietnam Co., Ltd. - Vinh Tan 4 Thermal Power Project	101,014,296,406	37,287,432,901
Hua Na Hydropower Construction	6,618,988,250	10,404,006,738
Others	98,013,097,070	90,602,808,737
	1,280,778,285,647	1,056,743,889,246

23. OTHER PAYABLES

	Closing balance	Opening balance (Retrospective adjusted)
	VND	VND
a. Short-term		
Trade Union fee	1,388,474,070	1,700,555,423
Social insurance	925,374,512	844,490,930
Payable for equitization	10,636,293,980	10,636,293,980
Payable to the State Treasury (i)	30,719,805,800	30,719,805,800
Advances received from share transfer (ii)	51,919,158,500	-
Other payables	5,841,525,934	3,815,708,947
	101,430,632,796	47,716,855,080
b. Long term		
Long-term deposits received	863,746,839	927,601,839
	863,746,839	927,601,839
Other short-term payables to related parties (details presented in Note 36)	773,699,548	330,698,720
Other long-term payables to related parties (details presented in Note 36)	375,240,000	375,240,000

- (i) Represent the disbursed amount from the Corporation's account at the State Treasury for Lilama 18 Joint Stock Company to support the relocation of the office and construction of multi-storey buildings in District 9, Ho Chi Minh City.
- (ii) Represent the amount received from the winning investors according to the result of the auction of the Corporation's capital in Lilama 69.2 Joint Stock Company but the Corporation has not completed the procedures for transferring ownership of securities as at 31 December 2018.

24. SHORT - TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	Opening balance		During the year		Closing balance	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term loans (i)	601,605,997,587	601,605,997,587	1,002,140,236,508	969,470,600,302	634,275,633,793	634,275,633,793
Current portion of long-term obligations under finance leases (see Note 25)	5,334,279,000	5,334,279,000	5,517,287,000	5,682,884,600	5,168,681,400	5,168,681,400
Total	606,940,276,587	606,940,276,587	1,007,657,523,508	975,153,484,902	639,444,315,193	639,444,315,193

- (i) Short-term loans of the Corporation were disbursed in VND to supplement working capital.

Short-term loans of the Corporation classified by security type are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Unsecured loans	99,109,346,550	217,017,463,935
Loans secured by proceeds from the Corporation's projects	535,166,287,243	384,588,533,652
	634,275,633,793	601,605,997,587

Details of the short-term loans and obligations under finance leases of the Corporation by bank are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Short-term loans	634,275,633,793	601,605,997,587
- Bao Viet Commercial Joint Stock Bank - Operation Center (i)	35,978,721,863	5,998,056,348
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Operation Branch 1 (ii)	535,166,287,243	384,588,533,652
- Saigon - Hanoi Commercial Joint Stock Bank - Head Office (iii)	36,545,829,892	-
- Tien Phong Commercial Joint Stock Bank - Thang Long Branch (iv)	26,584,794,795	120,919,031,379
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Ha Branch	-	90,100,376,208
Current portion of long-term obligations under finance leases	5,168,681,400	5,334,279,000
- BIDV - SuMi TRUST Leasing Co., Ltd. - Ha Noi Branch	146,406,400	312,004,000
- Vietcombank Financial Leasing Company	5,022,275,000	5,022,275,000
	639,444,315,193	606,940,276,587

- (i) Short term loan from Bao Viet Commercial Joint Stock Bank - Operation Center under Principle Credit Agreement No. 0118/2017/HDTD1/BVB005 dated 31 October 2017 with a credit limit of VND 300 billion. The purpose of the loan is to open L/C, issue guarantee and supplement working capital for production and business. The loan term and the interest rate shall be determined according to each debt covenant. The interest is subject to floating rates and payable monthly while the principal is repayable at the end of the period depending on each covenant. The loan is unsecured.
- (ii) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Operation Branch 1 under Credit Agreement No. 01/2018/518/HDTDHM dated 04 December 2018 and Credit Agreement No. 01/2017/518/HDTDHM dated 29 September 2017 and attached appendices with a total credit limit of VND 2,750 billion. The purpose of the loan is to open L/C, issue guarantee and supplement working capital for production and business. The loan term and the interest rate shall be determined according to each debt covenant. The interest is subject to floating rates and payable monthly while the principal is repayable at the end the period depending on each covenant. The loan is secured by the full balance of VND and foreign currency deposits at credit institutions.
- (iii) Short-term loan from Saigon- Hanoi Commercial Joint Stock Bank – Head Office under Credit Agreement No. 500/2018/HDHM-PN/SHB.110100 dated 31 October 2018 with a credit limit of VND 700 billion. The loan purpose is to open L/C, issue guarantee and

supplement working capital for production and business. The loan term and interest shall be determined according to each debt covenant, the duration of each loan shall not exceed 7 months. The interest is subject to floating rates and payable monthly while the principal is repayable at the end of the period depending on each covenant. The loan is unsecured.

- (iv) Short-term loan from Tien Phong Commercial Joint Stock Bank – Thang Long Branch under Credit Agreement No. 19/2018/HDTD/PHG/01 dated 08 February 2018 with a total credit limit of VND 1,000 billion. The loan purpose is to supplement working capital, pay for construction works and issue payment guarantee. The loan term and the interest rate shall be determined according to each debt covenant. The term of each loan is no longer than 10 months. The interest is subject to floating rates and payable monthly while the principal is repayable at the end of the period depending on each covenant. The loan is unsecured.

25. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	Closing balance		During the year		Opening balance	
	Amount able to be		Increases	Decreases	Amount able to be	
	Amount	paid off			Amount	paid off
	VND	VND	VND	VND	VND	VND
Long-term obligations under finance leases	19,827,085,500	19,827,085,500	732,032,000	5,682,884,600	14,876,232,900	14,876,232,900
Bonds issued	582,919,796,367	582,919,796,367	4,593,785,457	202,000,000,000	385,513,581,824	385,513,581,824
Total	602,746,881,867	602,746,881,867	5,325,817,457	207,682,884,600	400,389,814,724	400,389,814,724
<i>In which:</i>						
- Amount due for settlement within 12 months	5,334,279,000				5,168,681,400	
- Amount due for settlement after 12 months	597,412,602,867				395,221,133,324	

Long-term obligations under finance leases and bonds issued of the Corporation are disbursed in Vietnam Dong in order to invest in projects or purchase fixed assets of the Corporation. The Corporation used plant and equipment and machineries with the remaining value as at 31 December 2018 amounting to VND 59,030,110,109 (as at 31 December 2017: VND 77,586,156,601) as collateral for bonds issued on 30 December 2016.

Details of long-term obligations under finance leases and bonds issued classified by security type are as follows:

	Closing balance	Opening balance
	VND	VND
Balance of unsecured loans, debts and bonds	14,876,232,900	19,827,085,500
Balance of loans, debts and bonds secured by the Corporation's assets	385,513,581,824	582,919,796,367
	400,389,814,724	602,746,881,867

Long-term obligations under finance leases and bonds issued are signed under the contract with floating interest rates. Interest rates as at 31 December 2018 were from 10% to 12% per annum.

Long-term obligations under finance leases and bonds issued are repayable as per following payment schedule:

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Within one year	5,168,681,400	5,334,279,000
In the second year	90,342,888,673	92,088,620,818
From third year to fifth year	304,878,244,651	505,323,982,049
After five years	-	-
	400,389,814,724	602,746,881,867
Less: Amount due for settlement within 12 months (show under current liabilities)	5,168,681,400	5,334,279,000
Amount due for settlement after 12 months	395,221,133,324	597,412,602,867

26. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior year's opening balance (Retrospective adjusted)	797,261,040,000	-	80,441,455,251	877,702,495,251
Profit for the year	-	-	80,049,428,421	80,049,428,421
Profit distribution	-	25,802,470,000	(51,948,970,000)	(26,146,500,000)
Dividends declared	-	-	(17,938,373,400)	(17,938,373,400)
Current year's opening balance (Retrospective adjusted)	797,261,040,000	25,802,470,000	90,603,540,272	913,667,050,272
Profit for the year	-	-	44,695,749,808	44,695,749,808
Profit distribution (i)	-	16,009,890,000	(24,718,280,000)	(8,708,390,000)
Dividends declared (ii)	-	-	(47,835,662,400)	(47,835,662,400)
Current year's closing balance	797,261,040,000	41,812,360,000	62,745,347,680	901,818,747,680

- (i) Profit distribution in the year was made in accordance with Resolution No. 206/NQ-DHDCD dated 25 May 2018 of the General Shareholders' Meeting of the Corporation. Investment and development fund was set aside with the amount of VND 16,009,890,000 and the bonus and welfare funds were set aside with the amount of VND 8,708,390,000 from retained earnings as at 31 December 2017.
- (ii) 2017 dividend payment was made in accordance with Resolution No. 426/NQ-HDQT dated 24 October 2018 of the Board of Directors of the Corporation. Dividends are paid at the rate of 6% in cash from retained earnings as at 31 December 2017. During the year 2018, the Corporation had paid dividend to shareholders with the amount of VND 47,652,257,775.

Shares	Closing balance	Opening balance
- Number of shares issued to the public	79,726,104	79,726,104
+ Ordinary shares	79,726,104	79,726,104
- Number of treasury shares	-	-
+ Ordinary shares	-	-
- Number of outstanding shares in circulation	79,726,104	79,726,104
+ Ordinary shares	79,726,104	79,726,104

An ordinary share has a par value of VND 10,000.

Charter capital

According to the 2nd amended Corporate Registration Certificate dated 06 April 2016 issued by Hanoi Authority for Planning and Investment, the charter capital of the Corporation is VND 797,261,040,000. As at 31 December 2018, the charter capital was fully contributed by shareholders as follows:

Shareholders	Per Enterprise Registration Certificate		Contributed capital	
	VND	%	Closing balance VND	Opening balance VND
State shareholders	780,324,040,000	97,88%	780,324,040,000	780,324,040,000
Other shareholders	16,937,000,000	2,12%	16,937,000,000	16,937,000,000
	797,261,040,000	100%	797,261,040,000	797,261,040,000

According to Decision No. 593/QĐ-SGDHN dated 09 August 2017 and Notice No. 1031/TB-SGDHN dated 09 August 2017 of Hanoi Stock Exchange, stocks of the Corporation have been transacted on the Unlisted Public Company Market (belong to Hanoi Stock Exchange) with the symbol of LLM and the deposited quantity of 79,726,104 shares, par value of VND 10,000 per share and total value of VND 797,261,040,000. The first trading date was 16 August 2017.

27. OFF-BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	34,835,215.60	47,525,060.83
Euro (EUR)	17,037.52	47,660.72

28. REVENUE

	Current year VND	Prior year VND
Gross revenue from goods and services rendered		
Revenue from construction contracts	9,934,880,888,624	15,623,326,161,842
Revenue from goods sold	11,736,731,011	6,638,110,204
Revenue from services rendered	142,675,312,557	181,567,167,831
Net revenue from goods sold and services rendered	10,089,292,932,192	15,811,531,439,877
Revenue from related parties (see Note 36)	205,750,024,597	182,457,035,116

29. COST OF SALES

	Current year VND	Prior year VND
Cost of construction contracts	9,621,167,703,951	15,044,730,185,151
Cost of goods sold	10,887,930,001	6,597,853,045
Cost of services rendered	120,657,058,895	156,462,014,337
	9,752,712,692,847	15,207,790,052,533

30. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	VND
Raw materials and consumables	97,059,684,238	83,320,545,743
Labour	119,323,761,457	186,134,574,635
Depreciation and amortisation	28,686,726,711	38,338,779,341
Provision for short-term doubtful debts	308,939,976,817	298,450,172,275
Out-sourced services	150,325,487,341	193,394,398,884
Other expenses	10,847,000	1,313,457,227
Subcontractor expenses	9,437,158,068,138	15,039,368,870,194
	10,141,504,551,702	15,840,320,798,299

31. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Devidend received	11,563,386,000	20,652,077,200
Interest on transfer of shares	75,686,296,978	14,108,687,500
Interest on deposits and loans	64,355,237,167	78,796,043,381
Foreign exchange gains	52,806,607,343	121,787,096,753
	204,411,527,488	235,343,904,834

32. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Bond interest	57,791,394,445	106,217,393,171
Interest expense	39,606,718,926	85,629,957,622
Allocation of bond issue expenses	4,593,785,457	6,257,978,186
Foreign exchange losses	35,647,587,290	109,374,805,226
Loss on shares transfer	-	3,281,508,011
Financial investment provision	(48,054,839,074)	39,873,721,602
Provision for doubtful loan interest	26,547,518,426	54,212,120,261
Others	1,561,310,750	458,857,839
	117,693,476,220	405,306,341,918

33. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Management personnel expenses	38,437,064,053	34,358,792,039
Management material expenses	1,065,531,185	859,825,268
Office stationery	276,641,509	417,657,744
Depreciation and amortisation	5,575,413,514	6,691,635,210
Taxes, fees and charges	123,764,777	192,151,051
Provision for doubtful debts	309,514,107,047	296,201,927,945
Out-sourced services	10,090,528,339	12,477,697,789
Other monetary expenses	7,634,293,803	6,536,059,431
Others	10,847,000	44,411,227
	372,728,191,227	357,780,157,704

34. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
Current corporate income tax expense		
- Corporate income tax expense based on taxable profit of current year	10,699,296,663	895,944,738
Total current corporate income tax expense	10,699,296,663	895,944,738

Current corporate income tax expense was calculated as follows:

	Current year VND	Prior year VND
Profit before tax	55,395,046,471	80,945,373,159
<u>In which:</u>		
Profit from operating activities	52,189,716,305	76,497,578,466
Profit from transferring and renting real estate	3,205,330,166	4,447,794,693
Adjustments for taxable profit		
Less: Non-assessable income from operating activities	14,225,077,436	20,652,077,200
Add back: Non-deductible expense from operating activities	13,051,769,530	35,268,394,293
Transfer losses for normal business operations	(725,255,254)	(91,113,895,559)
Taxable profit	53,496,483,311	4,447,794,693
<u>In which:</u>		
Income from operating activities	50,291,153,145	-
Income from transferring and renting real estate	3,205,330,166	4,447,794,693
Taxable profit subject to tax rate of 22%	-	319,290,000
Taxable profit subject to tax rate of 20%	53,496,483,311	4,128,504,693
Current corporate income tax expense	10,699,296,663	895,944,738

Contingent liability of corporate income tax

According to Decree No.20/2017/ND-CP dated 24 February 2017 of the Government providing for tax administration of enterprises having related transactions ("Decree 20"), when calculating corporate income tax, total interest expenses deductible in the period shall not exceed 20% of the total net profit from business activities plus interest expense and depreciation expense in the period. In fact, the Corporation incurred related transaction but did not have any loan transactions with related parties. On 02 March 2018, the Corporation submitted Official Letter No. 192/TCT-TCKT to the Ministry of Finance to present the actual situation as well as difficulties and troubles when applying Decree 20 and propose the Ministry of Finance to consider the proposal to the Government to amend the policy in line with the particular characteristics of each business major, especially construction and mechanical engineering. As of the issue date of these separate financial statements, there has been no formal answer from the competent authorities, whereby the Board of Management of the Corporation has decided not to exclude interest expenses in excess of the limit to determine the taxable profit under the Decree 20 above. The Corporation determines that this is a contingent tax liability. The adjustment (if any) will be carried out by the Corporation with official guidance from the competent authorities.

35. OPERATING LEASE COMMITMENTS

	<u>Current year</u> VND	<u>Prior year</u> VND
Minimum operating lease expense recognized in the income statement	2,082,183,528	3,834,121,998

At the balance sheet date, the Corporation had certain non-cancellable operating lease commitments with the following payment schedule:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Within one year	1,962,183,528	1,962,183,528
From the second year to the fifth year	6,858,734,112	7,056,734,112
After five years	34,742,548,283	36,308,731,811
	<u>43,563,465,923</u>	<u>45,327,649,451</u>

Operating lease payments represent the land, premises and office lease contracts of the Corporation in Hanoi and Ho Chi Minh City and at Long Phu 1 Thermal Power Plant Project with the lease terms over 01 year from the effective date of the lease contracts.

36. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

No.	Name	Relationship
1	Lilama South East Asia SDN BHD Co., Ltd	Subsidiary
2	Lilama 5 Joint Stock Company	Subsidiary
3	Lilama 7 Joint Stock Company	Subsidiary
4	Lilama 10 Joint Stock Company	Subsidiary
5	Lilama 18 Joint Stock Company	Subsidiary
6	Lilama 69.1 Joint Stock Company	Subsidiary
7	Lilama 69.3 Joint Stock Company	Subsidiary
8	Lilama Erection Mechanical Joint Stock Company	Subsidiary
9	LHT International Consulting Joint Stock Company	Subsidiary
10	Lisemco Joint Stock Company	Subsidiary
11	Lilama Engineering Construction and Technology Joint Stock Company	Associate
12	Lilama 69.2 Joint Stock Company	Associate
13	Lilama 45.3 Joint Stock Company	Associate
14	Erection Electromechanics Testing Joint Stock Company	Associate
15	Lilama 45.1 Joint Stock Company	Associate
16	Lilama 45.4 Joint Stock Company	Associate
17	CIMAS Engineering Company Limited	Associate
18	Lilama Land Joint Stock Company (Lilama Land)	Associate
19	Lilama Construction Investment Joint Stock Company	Associate

During the year, the Corporation entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Sales	205,750,024,597	182,457,035,116
Lilama South East Asia SDN BHD	92,611,898,598	-
Lilama 18 Joint Stock Company	47,836,921,088	45,754,273,059
Lilama Erection Mechanical Joint Stock Company	4,167,957,411	1,977,922,952
Lilama 10 Joint Stock Company	7,401,326,959	26,232,884,001
Lilama 45.1 Joint Stock Company	9,586,311,111	17,272,408,702
Lilama 5 Joint Stock Company	1,290,634,258	7,373,601,766
Lilama 69.1 Joint Stock Company	7,870,287,347	5,371,862,106
Lilama 69.2 Joint Stock Company	3,824,460,896	49,451,770,039
Lilama 69.3 Joint Stock Company	21,795,817,079	18,903,479,339
Lilama 7 Joint Stock Company	5,947,208,345	1,900,543,850
Lisemco Joint Stock Company	1,309,090,908	5,348,682,914
LHT International Consulting Joint-Stock Company	1,250,943,790	1,277,164,941
Lilama Construction Investment Joint Stock Company	-	26,867,070
Erection Electromechanics Testing Joint Stock Company	433,079,093	430,040,938
Lilama 45.3 Joint Stock Company	166,599,264	821,527,143
Lilama 45.4 Joint Stock Company	18,176,523	43,196,752
Lilama Land Joint Stock Company	239,311,927	270,809,544
Purchases	2,059,443,453,974	2,612,979,192,522
Lilama 18 Joint Stock Company	852,934,081,530	838,461,793,854
Lilama Erection Mechanical Joint Stock Company	84,428,123,585	93,287,573,839
Lilama 10 Joint Stock Company	493,112,984,267	612,272,205,469
Lilama 45.1 Joint Stock Company	45,692,866,109	281,901,884,679
Lilama 5 Joint Stock Company	76,385,443,871	307,307,058,632
Lilama 69.1 Joint Stock Company	201,905,981,175	104,177,304,389
Lilama 69.2 Joint Stock Company	79,225,619,728	40,520,948,235
Lilama 69.3 Joint Stock Company	83,621,555,791	27,184,840,128
Lilama 7 Joint Stock Company	47,326,793,069	58,972,931,948
Lisemco Joint Stock Company	44,747,257,591	128,352,719,738
LHT International Consulting Joint Stock Company	4,189,008,408	10,892,063,395
Lilama Construction Investment Joint Stock Company	-	4,191,058
Erection Electromechanics Testing Joint Stock Company	46,157,510,710	80,865,609,684
Lilama 45.3 Joint Stock Company	(283,771,860)	13,685,913,322
Lilama 45.4 Joint Stock Company	-	15,092,154,152



	Current year VND	Prior year VND
Dividends received	11,563,386,000	20,652,077,200
Lilama 18 Joint Stock Company	5,746,386,000	8,619,579,000
Lilama Erection Mechanical Joint Stock Company	-	832,614,500
Lilama 10 Joint Stock Company	5,049,000,000	6,563,700,000
Lilama 69.1 Joint Stock Company	-	1,931,931,000
LHT International Consulting Joint-Stock Company	768,000,000	768,000,000
Erection Electromechanics Testing Joint Stock Company	-	379,925,000
Lilama 69.3 Joint Stock Company	-	1,556,327,700
Interest on loan receivables	36,635,557,485	38,634,121,204
Lilama 45.1 Joint Stock Company	12,440,697,807	12,639,716,015
Lilama 5 Joint Stock Company	-	421,953,155
Lisemco Joint Stock Company	21,695,995,206	21,695,995,207
Lilama Construction Investment Joint Stock Company	-	1,331,733,878
Lilama 45.3 Joint Stock Company	2,498,864,472	2,544,722,949

Remuneration of the Board of Directors and Board of Management:

	Current year VND	Prior year VND
Remuneration of Board of Directors and Board of Management	3,280,000,000	4,050,900,000

Significant related party balances as at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Trade receivables	114,316,019,391	29,564,521,844
Lilama 18 Joint Stock Company	9,614,724,695	15,420,297,063
Lilama Erection Mechanical Joint Stock Company	16,500,000	479,084,000
Lilama 10 Joint Stock Company	26,631,000	16,500,000
Lilama 45.1 Joint Stock Company	3,535,989,491	3,381,191,800
Lilama 5 Joint Stock Company	46,249,537	16,500,000
Lilama 69.1 Joint Stock Company	1,764,883,200	4,433,922,880
Lilama 69.2 Joint Stock Company	16,500,000	84,174,090
Lilama 69.3 Joint Stock Company	991,172,066	346,759,500
Lilama 7 Joint Stock Company	200,157,200	123,867,010
Lisemco Joint Stock Company	2,619,107,325	1,828,607,325
LHT International Consulting Joint Stock Company	28,761,062	14,163,193
Lilama South East Asia SDN BHD	92,038,494,694	-
Lilama Construction Investment Joint Stock Company	16,500,000	82,500,000
Erection Electromechanics Testing Joint Stock Company	42,900,000	16,500,000
Lilama 45.3 Joint Stock Company	-	16,500,000
Lilama 45.4 Joint Stock Company	3,316,883,079	3,296,888,904
Lilama Land Joint Stock Company (Lilama Land)	40,566,042	7,066,079

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Short-term loan receivables	384,317,943,381	398,527,212,982
Lilama 45.1 Joint Stock Company	127,425,130,046	132,425,130,046
Lisemco Joint Stock Company	227,646,699,893	227,646,699,893
Lilama Construction Investment Joint Stock Company	3,621,834,987	11,700,549,122
Lilama 45.3 Joint Stock Company	25,624,278,455	26,754,833,921
Other receivables	170,122,995,125	122,942,858,906
Lilama 18 Joint Stock Company	25,021,182,696	25,021,182,696
Lilama 45.1 Joint Stock Company	17,079,716,908	6,849,193,486
Lisemco Joint Stock Company	109,152,679,480	87,517,581,996
Lilama South East Asia SDN BHD	23,290,000	-
Lilama 45.3 Joint Stock Company	2,274,137,841	422,912,528
Lilama 45.4 Joint Stock Company	3,131,988,200	3,131,988,200
LHT International Consulting Joint-Stock Company	13,440,000,000	-
Trade payables	268,413,334,150	422,404,610,858
Lilama 18 Joint Stock Company	102,714,094,158	108,110,530,991
Lilama Erection Mechanical Joint Stock Company	33,752,464,706	39,960,665,003
Lilama 10 Joint Stock Company	-	6,712,837,810
Lilama 45.1 Joint Stock Company	-	5,281,178,236
Lilama 5 Joint Stock Company	67,161,284,357	139,577,851,284
Lilama 69.1 Joint Stock Company	21,653,831,330	69,458,818,692
Lilama 69.2 Joint Stock Company	4,658,632,500	-
Lilama 7 Joint Stock Company	23,001,737,138	23,662,231,119
LHT International Consulting Joint-Stock Company	4,375,870,126	11,014,218,049
Lilama Construction Investment Joint Stock Company	5,283,708	14,629,691
Erection Electromechanics Testing Joint Stock Company	11,090,136,127	13,853,274,938
Lilama 45.3 Joint Stock Company	-	3,516,657,968
CIMAS Engineering Company Limited	-	1,241,717,077
Advances to suppliers	226,657,948,704	118,593,617,182
Lilama 10 Joint Stock Company	11,035,470,047	-
Lilama 45.1 Joint Stock Company	42,759,009,927	-
Lilama 45.3 Joint Stock Company	1,194,444,892	-
Lilama 69.2 Joint Stock Company	-	18,913,402,418
Lilama 69.3 Joint Stock Company	61,472,627,706	13,856,645,050
Lisemco Joint Stock Company	98,765,377,805	75,392,551,387
Lilama 45.4 Joint Stock Company	11,431,018,327	10,431,018,327

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Other short-term payables	773,699,548	330,698,720
Lilama 18 Joint Stock Company	224,431,620	130,872,000
Lilama Erection Mechanical Joint Stock Company	80,676,032	51,122,688
Lilama 10 Joint Stock Company	80,305,152	60,414,510
Lilama 45.1 Joint Stock Company	165,080,864	-
Lilama 5 Joint Stock Company	29,176,320	14,588,160
Lilama 69.1 Joint Stock Company	37,461,120	-
Lilama 69.2 Joint Stock Company	21,702,000	28,747,050
Lilama 7 Joint Stock Company	57,624,576	28,238,592
Erection Electromechanics Testing Joint Stock Company	17,946,880	-
Lilama 45.3 Joint Stock Company	30,397,440	15,198,720
Lilama 45.4 Joint Stock Company	28,897,544	1,517,000
Other long-term payables	375,240,000	375,240,000
Lilama 18 Joint Stock Company	333,000,000	333,000,000
Lilama Land Joint Stock Company	42,240,000	42,240,000

37. SUBSEQUENT EVENTS

On 25 January 2019, the Corporation accomplished the divestment of all contributed capital (equivalent to 33% of charter capital) at Cimas Consulting and Designing Company Limited under the agreement method. Accordingly, since 25 January 2019, Cimas Design Consulting Company Limited has no longer been an associate of the Corporation.

On 14 February 2019, the Corporation accomplished the divestment of 3,730,515 shares (equivalent to 44.96% of charter capital) at Lilama 69.2 Joint Stock Company by the auction method. Accordingly, since 15 February 2019, Lilama 69.2 Joint Stock Company has no longer been an associate of the Corporation.

On 26 February 2019, the Corporation successfully auctioned 1,488,600 shares (equivalent to 15.05% of charter capital) at Lilama 10 Joint Stock Company. The winning investors have completed the payment and the Corporation has been performing procedures to transfer ownership of securities to investors.

On 26 February 2019, the Corporation successfully auctioned 2,518,454 shares (equivalent to 30.42% of charter capital) at Lilama 69.3 Joint Stock Company. The winning investors have completed the payment and the Corporation has been performing the procedures to transfer ownership of securities to investors.

On 26 February 2019, the Corporation completed the divestment of 13,005,032 shares (equivalent to 79.98% of charter capital) at Lisemco Joint Stock Company by the auction method. Accordingly, since 26 February 2019, Lisemco Joint Stock Company has no longer been a subsidiary of the Corporation.

On 08 March 2019, the Corporation successfully auctioned 750,000 shares (equivalent to 9.9% of charter capital) at Lilama 69.1 Joint Stock Company. The winning investors have completed the payment and the Corporation has been performing procedures to transfer ownership of securities to investors.

On 08 March 2019, the Corporation successfully auctioned 1,408,730 shares (equivalent to 15% of charter capital) at Lilama 18 Joint Stock Company. The winning investors have completed the payment and the Corporation has been performing procedures to transfer ownership of securities to investors.



To Phi Son
Preparer



Bui Duc Kien
Chief Accountant



Lê Văn Tuấn
Chief Executive Officer

28 March 2019

