

LILAMA 45.1 JOINT STOCK COMPANY
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020



LILAMA 45.1 JOINT STOCK COMPANY

No. 138-140 Dien Bien Phu, Da Kao Ward, Distric 1, HCM City

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LILAMA 45.1 JOINT STOCK COMPANY

No. 138-140 Dien Bien Phu, Da Kao Ward, Distric 1, HCM City

BOARD OF DIRECTORS' REPORT

The Board of Directors of Lilama 45.1 Joint Stock Company (hereinafter referred to as "Company") present this report together with the Financial Statements of the Company for the fiscal year ended 31 December 2020.

CORPORATE INFORMATION

Lilama 45.1 Joint Stock Company, a joint stock Company, was transformed from a State Owned Enterprise is that Company Erection and Construction 45-1. Company was established and operates under Business Registration No.4103006646 firstly granted by Ho Chi Minh Department of Planning and Investment on 09/05/2007, and the sixth Amendment Certificate on 24/08/2017 with code tax No. 0301443037.

The Company is located at 138-140 Dien Bien Phu, Da Kao Ward, District 1, Ho Chi Minh city.

According to Business Registration license, Charter capital of Company is VND 48,000,000,000, total shares are 4,800,000 shares with par value of 10,000 VND/share, in which:

	Number of share	Value	Percentage/ Charter capital
Lilama Corporation	1,728,000	17,280,000,000	36.00 %
Other Shareholders	3,072,000	30,720,000,000	64.00 %
	4,800,000	48,000,000,000	100.00%

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

THE BOARD OF MANAGEMENT AND GENERAL DIRECTORS

Members of the Board of management are:

Mr Hoang Si Nhan	Chairman	Appointed on 01/08/2020
Mr Ngo Van Phung	Chairman	Resigned on 29/06/2020
Mr Nguyen Ba Sung	Member	
Mr Nguyen Tien Son	Member	
Ms Duong Thi Hai	Member	
Mr Pham Dinh Lap	Member	Appointed on 29/06/2020

Members of the Board of Directors and Chief Accountant are:

Mr Nguyen Ba Sung	General Director	
Mr Hoang Sy Nhan	Deputy General Director	Resigned on 30/07/2020
Mr Nguyen Huu Can	Deputy General Director	
Mr Nguyen Tien Son	Deputy General Director	Appointed on 04/08/2020
Mr Dinh Viet Son	Deputy General Director	Appointed on 04/08/2020
Ms Duong Thi Hai	Chief Accountant	

Members of the Supervisory Board are:

Ms Tran Thi Thu Ha	Head of the Board
Ms Nong Thi Hong Nhung	Member
Ms Nguyen Truc Ly	Member

LILAMA 45.1 JOINT STOCK COMPANY

No. 138-140 Dien Bien Phu, Da Kao Ward, Distric 1, HCM City

AUDITOR

The Financial Statements for the fiscal year ended 31 December 2020 of the Company is audited by Vietnam Auditing and Valuation Co., Ltd (AVA).

RESPECTIVE RESPONSIBILITIES OF THE BOARD

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the Company's financial position as at 31 December 2020 as well as its operational results and its cash flows for the fiscal year then ended. In preparing the financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State applicable accounting principles that have been followed, any material deviations (if any) discovered and explained in financial statements;
- Prepare the Financial Statements in compliance with Vietnamese Accounting Standards and Vietnamese Accounting System and prevailing legal regulations in Vietnam;
- Prepare financial statements on going concern basis.

The Board of General Directors is responsible for ensuring that accounting books are kept adequately to give a fair and true view of the financial position of the Company and to ensure that the accompanying Financial Statements of the Company were prepared in accordance with legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the Company's assets and hence for taking reasonable for the prevention and detection of fraud and other irregularities.

The Board of General Directors confirms that the financial statements give a true and fair view of financial position as at 31 December 2020, operation results and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations relating to financial reporting.

Approval of Financial Statement

The Board of Management of Lilama 45.1 Joint Stock Company approval Financial Statement for the fiscal year ended 31/12/2020.

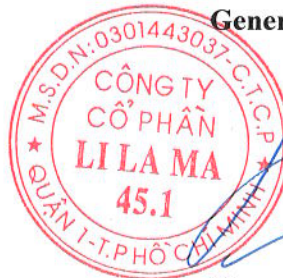
Ho Chi Minh City, 25 March 2021

**For and on behalf of the Board of management
Chairman**

Hoang Si Nhan

Ho Chi Minh City, 25 March 2021

**For and on behalf of the Board of Director
General Director**



Nguyen Ba Sung



No: 297/BCKT/TC

Công ty TNHH Kiểm toán và Thẩm định giá Việt Nam
Địa chỉ: Số 3, Biệt thự 2, KĐT Pháp Vân, Hoàng Liệt,
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INDEPENDENT AUDIT REPORT

To : The shareholders, the Board of Management and the Board of Director of
Lilama 45.1 Joint Stock Company

We have audited the accompanying Financial Statements of Lilama 45.1 Joint Stock Company, prepared on March 25th 2021, from page 05 to page 21, including: Balance Sheet as at 31/12/2020, Income Statement, Cash Flow Statement for the fiscal year then ended and Notes to the financial statements for the year then ended

Respective responsibilities of Board of General Directors

Board of General Directors of the Company is responsible for the preparation and true & fair presentation of the Financial Statements of Company in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations relating to the preparation and presentation of the Financial Statements and for such internal control as Board of Directors determines necessary to enable the presentation of financial statements that are free from material misstatements whether due to fraud or error.

Respective responsibilities of Auditor

Our responsibility is to express an opinion on the 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, plan and perform the audit to obtain reasonable assurance about whether the Financial Statements of the Company are free from material misstatements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Financial Statements. The procedures are selected depending on the auditor's judgement, including the assessment on risk of material misstatements of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true & fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion

Auditor's opinion

In our opinion, the Financial Statements have, in all material respects, given a true and fair view of the financial position of Lilama 45.1 Joint Stock Company as at 31/12/2020 as well as the results of business operation and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations related to the preparation and presentation of Financial Statements.



BUI QUANG HOP

Deputy General Director

Certificate of audit practice registration

No.: 1796-2019-126-1

For and on behalf of

VIETNAM AUDITING AND VALUATION CO., LTD (AVA)

Ha Noi, 25 March 2021

DO THI NGOC

Auditor

Certificate of audit practice registration

No.: 3409-2020-126-1

BALANCE SHEET
As at 31 December 2020

Unit: VND

ITEM	Code	Note	31/12/2020	01/01/2020
A. CURRENT ASSETS	100		423,876,377,245	413,463,471,842
I. Cash and cash equivalents	110		2,127,848,211	16,445,644,439
1. Cash	111	V.1	2,127,848,211	16,445,644,439
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		150,105,828,104	152,614,574,818
1. Short-term trade receivables	131	V.2	112,305,467,272	111,892,632,821
2. Short- term advances to suppliers	132		5,405,424,991	6,157,698,114
3. Construction contract progress receivables	134		-	1,934,169,951
4. Other short- term receivables	136	V.3	32,394,935,841	32,630,073,932
IV. Inventory	140	V.4	271,642,700,930	244,403,252,585
1. Inventory	141		271,642,700,930	244,403,252,585
V. Other current assets	150		-	-
B. NON- CURRENT ASSETS	200		98,701,233,545	109,447,376,227
I. Long-term receivables	210		750,000,000	1,043,547,072
1. Other long- term receivables	216	V.5	750,000,000	1,043,547,072
II. Fixed assets	220		12,951,696,537	14,788,160,834
1. Tangible fixed assets	221	V.6	12,951,696,537	7,663,015,490
- Cost	222		90,064,698,183	83,030,220,693
- Accumulated Depreciation(*)	223		(77,113,001,646)	(75,367,205,203)
2. Finance lease fixed assets	224	V.7	-	7,125,145,344
- Cost	225		-	8,500,175,022
- Accumulated Depreciation(*)	226		-	(1,375,029,678)
III. Investment real estate	230		-	-
IV. Long-term assets in progress	240	V.8	41,178,584,278	41,178,584,278
1. Construction costs in progress	242		41,178,584,278	41,178,584,278
V. Long-term financial investments	250		-	-
VI. Other non- current assets	260		43,820,952,730	52,437,084,043
1. Long- term prepaid expenses	261	V.9	43,820,952,730	52,437,084,043
TOTAL ASSETS	270		522,577,610,790	522,910,848,069

BẢNG CÂN ĐỐI KẾ TOÁN
As at 31 December 2020
(Continued)

Unit: VND

ITEM	Code	Note	31/12/2020	01/01/2020
C. LIABILITIES	300		481,848,803,069	482,222,396,501
I. Current liabilities	310		415,683,889,865	404,937,762,637
1. Short-term trade payables	311	V.10	37,902,470,832	40,978,416,044
2. Short-term advances from customers	312		65,253,281,991	68,965,755,675
3. Taxes and amount payables to State Budget	313	V.11	5,223,200,771	4,624,519,519
4. Payable to employees	314		1,095,475,145	1,213,315,134
5. Other payable items	315	V.12	3,630,000,000	-
6. Short-term intercompany payable	316	V.13	135,160,780,134	138,705,116,625
7. Short-term inearned revenue	318		-	600,000,000
8. Other short- term payables	319	V.14	115,869,901,822	97,516,039,470
9. Short-term borrowings and finance lease liabilities	320	V.15	51,320,716,506	52,106,537,506
10. Bonus and welfare funds	322		228,062,664	228,062,664
II. Non-current liabilities	330		66,164,913,204	77,284,633,864
1. Long- term trade payables	331		21,635,981,774	23,954,300,024
2. Long-term advances from customers	332		13,305,040,330	22,106,442,740
3. Other long-term payables	337	V.16	6,223,891,100	6,223,891,100
4. Long-term borrowings and finance lease liabilities	338	V.15	25,000,000,000	25,000,000,000
B. EQUITY	400		40,728,807,721	40,688,451,568
I. Owners' equity	410	V.17	40,728,807,721	40,688,451,568
1. Owners' contributed capital	411		48,000,000,000	48,000,000,000
- Ordinary shares carrying voting rights	411a		48,000,000,000	48,000,000,000
2. Investment and development fund	418		2,367,275,900	2,367,275,900
3. Other owners' equity	420		575,873,748	575,873,748
4. Retained earnings	421		(10,214,341,927)	(10,254,698,080)
- Retained earnings accumulated to the prior year	421a		(10,254,698,080)	(10,345,815,678)
- Retained earnings of the current year	421b		40,356,153	91,117,598
II. Other resources and funds	430		-	-
TOTAL RESOURCES	440		522,577,610,790	522,910,848,069

Note: Negative figures must be put in brackets ()

Prepared by

Truong Thi Hong

Chief Accountant

Duong Thi Hai

Ho Chi Minh City, 25 March 2021

General Director



Nguyen Ba Sung

INCOME STATEMENT
Year 2020

Unit: VND

ITEM	Code	Note	Year 2020	Year 2019
1. Revenue from sales of goods and services	01	V.1	100,037,703,326	90,268,590,489
2. Deductions	02		-	-
3. Net revenue from sale of goods and rendering of services	10		100,037,703,326	90,268,590,489
4. Cost of goods sold	11	V.2	86,063,436,548	79,337,783,646
5. Gross profit from sale of goods and rendering of services	20		13,974,266,778	10,930,806,843
6. Financial income	21	V.3	54,110,833	47,240,374
7. Financial expenses	22	V.4	4,877,046,313	5,033,588,593
- In which: interest expense	23		4,877,046,313	5,030,164,214
8. Selling expenses	25		-	-
9. General and administration expenses	26		6,835,758,015	6,969,716,931
10. Operating profit	30		2,315,573,283	(1,025,258,307)
11. Other incomes	31	V.5	566,900,408	4,393,724,695
12. Other expenses	32	V.6	2,832,028,500	3,254,569,390
13. Other profit (loss)	40		(2,265,128,092)	1,139,155,305
14. Profit before tax	50		50,445,191	113,896,998
15. Current corporate income tax expense	51	V.7	10,089,038	22,779,400
16. Deferred corporate income tax expense	52		-	-
17. Net profit after tax	60		40,356,153	91,117,598
18. Basic earning per share	70	V.8	8	19
19. Diluted earning per share	71	V.8	8	19

Ho Chi Minh City, 25 March 2021

Prepared by

Chief Accountant

General Director





Truong Thi Hong

Duong Thi Hai

Nguyen Ba Sung

CASH FLOW STATEMENT
 Under direct method
 Year 2020

ITEM	Code	Unit: VND	
		Year 2020	Year 2019
I. Cash flow from operating activities			
1. Gains from sales of goods and service provisions and other gains	01	98,486,680,163	150,558,502,754
2. Payment to suppliers of goods and services	02	(89,222,999,008)	(96,845,682,141)
3. Payment to employees	03	(13,657,766,083)	(32,301,499,620)
4. Loan interests already paid	04	(22,185,270)	(195,042,521)
5. Payment for corporate income tax	05	-	(14,304,020)
6. Other cash inflows from operating activities	06	2,325,614,179	2,523,125,664
7. Other disbursements from operating activities	07	(12,009,213,096)	(19,485,980,988)
Net cash flow from operating activities	20	(14,099,869,115)	4,239,119,128
II. Cash flow from investment activities			
1. Purchases and construction of fixed assets and other long-term assets	21	-	(4,700,000)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22	530,100,000	11,608,803,125
3. Cash inflows from lending interest, dividends and distributed profits	27	36,657,020	47,240,374
Net cash flow from investment activities	30	566,757,020	11,651,343,499
III. Cash flow from financial activities			
1. Payments for financial leasehold assets	35	(785,821,000)	(2,110,111,922)
Net cash flow from financial activities	40	(785,821,000)	(2,110,111,922)
Net cash flow in the period	50	(14,318,933,095)	13,780,350,705
Opening cash and cash equivalents	60	16,445,644,439	2,668,718,113
Effect of changes in foreign exchange rates	61	1,136,867	(3,424,379)
Closing cash and cash equivalents	70	2,127,848,211	16,445,644,439

Ho Chi Minh City, 25 March 2021

Prepared by

Chief Accountant

General Director



Truong Thi Hong



Duong Thi Hai



Nguyen Ba Sung

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

I. OPERATIONAL CHARACTERISTICS OF ENTERPRISE**1. Form of ownership**

Lilama 45.1 Joint Stock Company, a joint stock Company, was transformed from a State Owned Enterprise is that Company Erection and Construction 45-1. Company was established and operates under Business Registration No.4103006646 firstly granted by Ho Chi Minh Department of Planning and Investment on 09/05/2007, and the sixth Amendment Certificate on 24/08/2017 with code tax No. 0301443037.

The Company is located at 138-140 Dien Bien Phu, Da Kao Ward, District 1, Ho Chi Minh city.

2. Business activities

- Construction and installation of civil works industry (cement, hydropower, thermal power, oil and gas, and other industrial, petroleum pipeline, liquids, oil refineries, gas processing gas, liquefied), power transmission lines, transformer stations. Installation of machinery and equipment;
- Production, business supplies, spare parts, structural type of metal for building;
- Processing, installation and repair of lifting equipment, pressure equipment (tank, piping pressure), mechanical equipment, electrical equipment, non-standard steel structure, supply, installation installation and maintenance of elevators;
- Export and import of materials and equipment, technological lines, building materials, electrical appliances, chemicals (other than chemical toxicity), spare parts, tools, mechanical, gas, oil, grease, gas, industrial gases;
- Investment in construction, infrastructure and business industrial parks, urban areas
- Business real estate (excluding brokerage services, valuation, real estate trading floor);
- Consulting construction: civil, industrial, transport, irrigation, investment consulting and installation of technological line (no design work activities);
- Check the welds by non-destructive methods (ultrasonic, permeability, magnetic Xray); Test and adjust equipment, heating systems, automatic control systems technology lines; Corrosion protection for metal surfaces;
- Manufacturing boilers, tanks and pressure; Investment in construction, manufacturing, power trading;
- Design of the electric industry./.

II. ACCOUNTING PERIOD, CURRENCY USED IN ACCOUNTING**Accounting period and currency used in accounting**

The Company's accounting period begins on 01/01 and ends on 31/12 every Calendar year.

The currency used in accounting is Vietnamese dong ("VND").

III. APPLIED ACCOUNTING REGIME AND STANDARDS**1. Applied accounting regime**

The Company applies the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22/12/2014 by Ministry of Finance guiding the accounting regime for enterprises and Circular No. 53/2016/TT-BTC dated 21/03/2016 by Ministry of Finance regarding amendment to some articles of Circular No. 200/2014/TT-BTC and other prevailing statutory regulations.

2. Declaration on compliance with accounting standard and accounting system

The Company applies Vietnamese Accounting Standards and supplemental documents issued by the State. Financial Statements have been prepared and presented in accordance with current Vietnamese Accounting Standards, Vietnamese Accounting Regime for enterprises and other relevant legal regulations to the preparation and presentation of the Financial Statements

3. Accounting form

Accounting form: General Diary.

IV. ACCOUNTING POLICIES**1. Recognition of cash and cash equivalents**

Transactions in foreign currencies shall be converted into Viet Nam dong at actual exchange rate at the time of incurred transaction. At the date of the financial statements, applied exchange rate to revaluation of monetary items derived from foreign currencies is buying exchange rate of the bank where the Company opens foreign currency accounts

Exchange rates for translating transactions and Exchange rates for re-translation will be carried over to financial revenue or financial expenses in the fiscal year.

2. Recognition of receivable

Receivables represent the recoverable amount 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 outstanding or doubtful of being recovered when the debtor is in dissolution, in bankruptcy, or experiencing in similar difficulties

3. Recognition of inventory

Inventory is determined at the lower of cost or net realizable value. The costs of inventory comprise of all costs of purchase, costs of conversion and other costs incurred bringing the inventory to their present location and condition. Realizable costs is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of inventory method is specific identification. Realizable costs is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory accounting method is perpetual method.

Provision for devaluation of inventories is made in accordance with current accounting regulations. Accordingly, the Company is allowed to make an allowance for depreciation of obsolete, damaged, or substandard inventories and in the event that the cost of inventories is higher than the net realizable value at the balance sheet date accountant.

4. Recognition of fixed assets and depreciation*Recognition of tangible fixed assets*

Tangible fixed assets are stated at the historical cost. During the using time, fixed assets are recorded at cost, accumulated depreciation (amortization) and net book value;

Depreciation of tangible assets is calculated using the straight-line method during the estimated useful lives which are appropriate with regulations in Circular No. 45/2013/TT-BTC dated April 25th, 2013 and other guidelines of Ministry of Finance.

Recognition of finance lease fixed assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and the rewards of ownership to the lessee. Assets held under finance leases are recognized at the lower of fair value or present value of the minimum lease payments at the inception of the lease.

Finance lease fixed assets are depreciated as same as fixed assets. Financial leased out assets are depreciated over the term of the lease if the lease term is shorter than the useful life of the asset and the uncertainty is that the lessee will have the right to own the leased asset at the end of the lease term.

5. Recognition of prepaid expenses

Prepaid expenses are expenses which have actually incurred yet are related to operational outputs of many accounting periods. Prepaid expenses comprise brokage expenses and other selling expenses that are expected to generate future economic benefit for the Company. These expenditures have been capitalized as prepayments, and are allocated to the Income Statement, using the straight- line method in accordance with prevailing accounting regulations.

6. Recognition of payables

The amount of payable shall be classified into trade payable and other payables following principles below:

- Trade payables: include commercial payables arisen from purchases of goods, services or assets.
- Other payables: include non-commercial payable amounts, or payable amounts that are not classified as trade payables.

Payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables. At Financial Statement's preparation date, payables are reclassified under this principle.

The Company will record a liability immediately if there is evidence of any outflow of recourses, in accordance with the prudence principle.

Provision for payables are made in accordance with current accounting regulations.

7. Recognition of borrowings and finance lease liabilities

The borrowings are recorded in each disbursement and payment. Finance lease liabilities are recognized at the present value of the minimum lease payments/ or the fair value of the leased assets at the fiscal year ended.

Borrowings and finance lease liabilities shall be specially recorded to each object, terms, original currencies. At the end of the period, borrowings and finance lease liabilities that meet the definition of monetary items denominated in foreign currencies are revalued at the selling rate of exchange of Commercial Bank that the Company has borrowing transaction.

8. Recognition of capitalization of borrowing expenses

Borrowing expenses are recognized as financial expenses during the period as incurred, except for capitalization cases according to regulations in Vietnam Accounting Standards "Borrowing expenses". Borrowing costs directly related to the construction investment or production of uncompleted assets which need a duration long enough (over 12 months) to be put to use according to the set purposes or to sale shall be accounted into the value of such assets. Incomes from temporary investments of particular borrowings shall be offset against borrowing costs incurred upon the capitalization. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

Capitalization rate of borrowing cost in the period is 0%

9. Recognition of other payables

Other payables are payables for goods or services received from seller or provided to a buyer but not actually paid due to lack of invoices or insufficient accounting documents and records on business costs on the basis of ensuring the principle of matching between revenue and costs. When there are sufficient documents, if there is any discrepancy with the deducted amount, the accountant shall record additionally or reduce expenses corresponding to the difference.

10. Recognition of owners' equity

Recognition of owners' equity

Owner's equity is recognized under actual contribution of owners.

Recognition of retained earnings

Retained earnings are the profit of business operations after deduction (-) regulated items due to from applying a change in accounting policies or to make a retrospective restatement to correct materiality in previous

11. Recognition of revenue

Revenue from sales of products, finished goods

Revenue from sales of products, finished goods shall be recognized if it simultaneously meets the following five (5) conditions:

- The enterprise has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;
- The enterprise no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- Turnover has been determined with relative certainty;
- The enterprise has gained or will gain economic benefits from the good sale transaction;

It is possible to determine the costs related to the goods sale transaction.

Revenue from rendering of services

Revenue from rendering of services shall be recognized when the results of these transactions are determined in a reliable way. Where a service provision transaction relates to many periods, turnover shall be recognized in each period according to the results of the work volume finished on the date of making of such period's accounting balance sheet. The result of a service provision transaction shall be determined only when it satisfies all the conditions below:

- Turnover is determined with relative certainty;
- It is possible to obtain economic benefits from the service provision transaction;
- The work volume finished on the date of making the accounting balance sheet can be determined;
- The costs incurred from the service provision transaction and the costs of its completion can be determined

Construction contract revenues

Construction contract revenues shall be recognized when the contract performance result is reliably determined and certified by customers, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the billed invoices

Financial income

Financial incomes arising from bank deposit interests and foreign currency difference interests incurred in the period, recognized based on monthly bank statement and exchange rates of transactions related to foreign currencies

12. Recognition of cost of goods sold

When revenue is recognized, the matching cost related to the creation of such revenue must be recognized. Costs corresponding to revenues include costs of the period in which revenues are created and costs of the previous periods or payable costs related to the revenues of such period.

13. Principles and method of recording financial expenses

Finance cost including:

- Borrowing cost;
- Exchange rate difference.

Finance cost is recognized in Income Statement is the total finance cost incurred in the period, without offset with revenue from financial activity.

14. Principles and method of recording current corporate tax expense

The tax currently payable is based on taxable income and corporate tax rates for the current year.

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

15. Related parties

Parties are considered to be related if they have direct or indirect relation to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transactions with related parties are presented in Notes to the Financial Statements.

V. ADDITIONAL INFORMATION TO ITEMS PRESENTED IN BALANCE SHEET

		31/12/2020		01/01/2020	
		Value	Provision	Value	Provision
Unit: VND					
1. Cash					
- Cash on hand		1,507,972,926	-	82,427,794	-
- Cash in bank		619,875,285	-	16,363,216,645	-
Total		2,127,848,211	-	16,445,644,439	-
2. Short-term trade receivables					
a) Trade receivables					
- Lilama Corporation		12,771,552,621	-	12,771,552,621	-
- Sai Gon River JSC		33,306,311,047	-	33,306,311,047	-
- Others		66,227,603,604	-	65,814,769,153	-
Total		112,305,467,272	-	111,892,632,821	-
b) Receivables from related parties					
- Lilama Corporation		12,771,552,621	-	12,771,552,621	-
+ Vung Ang 1 Thermal Power Plant		3,753,436,349	-	3,753,436,349	-
+ Long Phu 1 Thermal Power Plant		257	-	257	-
+ Thai Binh 2 Thermal Power Plant		6,205,049,621	-	6,205,049,621	-
+ Song Hau 1 Thermal Power Plant		2,813,066,394	-	2,813,066,394	-
Total		12,771,552,621	-	12,771,552,621	-
3. Other short- term receivables					
- Other receivables		30,114,497,087	-	30,354,897,587	-
- Advance		2,280,438,754	-	2,275,176,345	-
Total		32,394,935,841	-	32,630,073,932	-
4. Inventory					
- Raw materials		326,217,047	-	367,936,333	-
- Tools and supplies		207,351,304	-	291,225,622	-
- Word in progress		271,109,132,579	-	243,744,090,630	-
Total		271,642,700,930	-	244,403,252,585	-
5. Other long- term receivables					
- Long-term collateral and deposit		750,000,000	-	1,043,547,072	-
Total		750,000,000	-	1,043,547,072	-

6. Increase and decrease tangible fixed assets

Items	Houses and architectural	Machine and equipment	Mean of transportation	Office equipment	Others	Total
Historical cost						
Opening balance	1,257,632,371	45,727,086,629	34,777,800,969	694,189,560	573,511,164	83,030,220,693
Increase	-	-	8,517,570,022	-	-	8,517,570,022
- Purchased from financial lease assets	-	-	8,517,570,022	-	-	8,517,570,022
Decrease	-	-	1,364,556,532	-	118,536,000	1,483,092,532
- Liquidation	-	-	1,364,556,532	-	118,536,000	1,483,092,532
Closing balance	1,257,632,371	45,727,086,629	41,930,814,459	694,189,560	454,975,164	90,064,698,183
Accumulated Depreciation						
Opening balance	1,257,632,371	41,218,896,966	31,693,121,339	624,043,363	573,511,164	75,367,205,203
Increase	-	753,629,319	2,455,627,104	19,632,552	-	3,228,888,975
- Depreciation	-	753,629,319	937,538,794	19,632,552	-	1,710,800,665
- Purchased from financial lease	-	-	1,518,088,310	-	-	1,518,088,310
Decrease	-	-	1,364,556,532	-	118,536,000	1,483,092,532
- Liquidation	-	-	1,364,556,532	-	118,536,000	1,483,092,532
Closing balance	1,257,632,371	41,972,526,285	32,784,191,911	643,675,915	454,975,164	77,113,001,646
Net book value						
Opening balance	-	4,508,189,663	3,084,679,630	70,146,197	-	7,663,015,490
Closing balance	-	3,754,560,344	9,146,622,548	50,513,645	-	12,951,696,537
- Net carrying amount of fixed assets are used as mortgage, pledge, guarantee for loan:						0 VND
- Cost of fixed assets are fully depreciated but still in use:						68,064,850,003 VND

7. Increase and decrease in finance lease fixed asset

Items	Mean of transportation	Total
Historical cost		
Opening balance	8,500,175,022	8,500,175,022
Increase	-	-
Decrease	8,500,175,022	8,500,175,022
- Purchased from financial lease assets	8,500,175,022	8,500,175,022
Closing balance	-	-
Accumulated Depreciation		
Opening balance	1,375,029,678	1,375,029,678
Increase	143,058,632	143,058,632
- Depreciation	143,058,632	143,058,632
Decrease	1,518,088,310	1,518,088,310
- Purchased from financial lease assets	1,518,088,310	1,518,088,310
Closing balance	-	-
Net book value		
Opening balance	7,125,145,344	7,125,145,344
Closing balance	-	-

	31/12/2020	01/01/2020
8. Long-term assets in progress		
- Construction in progress	41,178,584,278	41,178,584,278
+ Sardeung Hydroelectric Factory	39,097,009,103	39,097,009,103
+ Tuy Ha Steel Structure Factory	2,081,575,175	2,081,575,175
Total	41,178,584,278	41,178,584,278
9. Long-term prepaid expenses		
- Issued tools and instrument awaiting for allocation	13,920,951,494	16,815,575,141
- Repair and relocation costs	2,555,400,057	1,078,611,042
- Prepaid expenses awaiting for allocation	27,344,601,179	34,542,897,860
Total	43,820,952,730	52,437,084,043
10. Trade payables		
<i>a) Short-term trade payables</i>		
- SIN HENG Viet Nam Co., Ltd	4,417,411,032	4,517,411,032
- Construction Group JSC - 1	1,869,957,204	6,908,885,059
- Lilama Corporation	3,967,058,866	3,967,058,866
- Others	27,648,043,730	25,585,061,087
Total	37,902,470,832	40,978,416,044
<i>b) Short-term payable to related parties</i>		
- Lilama Corporation	3,967,058,866	3,967,058,866
Total	3,967,058,866	3,967,058,866

11. Taxes and amount payables to State Budget

	01/01/2020	Payable in the year	Paid in the year	31/12/2020
<i>a) Payables to State Budget</i>				
- Value added tax output	3,271,147,092	1,763,210,301	4,425,090,413	609,266,980
- Import and Export Tax	-	1,223,710,937	1,223,710,937	-
- Corporate income tax ⁽¹⁾	1,332,938,190	(1,300,069,752)	-	32,868,438
- Personal income tax	20,434,237	8,780,415	22,713,152	6,501,500
- Land & housing tax, land rental cha	-	4,150,115,289	-	4,150,115,289
- Other taxes	-	3,000,000	3,000,000	-
- Fees, charges and other taxes	-	443,629,207	19,180,643	424,448,564
Total	4,624,519,519	6,292,376,397	5,693,695,145	5,223,200,771

⁽¹⁾ Amount to be paid in the year include current income tax expense and corporate income tax payables according to the State Audit Report for year 2020 is VND 10,089,038 and CIT amount to be deducted according to Notice No. 24133/TB-CT dated on 02/10/2020 of the Tax Department of Ho Chi Minh City is VND 1,310,158,790.

The Company's tax report will be subject to inspection by the local tax authorities. Because the application of laws and regulations on taxes on different types of transactions can be interpreted in different ways, the tax amounts are presented on the financial statements can be changed at the last decision of the tax authorities.

	31/12/2020	01/01/2020
12. Other payable items		
Accrual for construction cost	3,630,000,000	-
Total	3,630,000,000	-

	31/12/2020	01/01/2020
13. Short-term intercompany payable		
- Lilama Corporation	84,861,383,422	84,861,383,422
- Internal payables for construction teams	50,299,396,712	53,843,733,203
Total	135,160,780,134	138,705,116,625
14. Other short- term payables		
- Trade union fee	956,547,203	897,436,203
- Social insurance	34,091,670,891	32,457,196,661
- Health insurance	4,349,621,996	3,917,281,553
- Unemployment insurance	1,507,613,524	1,350,278,407
- Other payables	74,964,448,208	58,893,846,646
+ Social insurance pays benefits	141,217,570	141,217,570
+ Receiving repayments of employees	920,605,304	979,750,865
+ Union fee collected through salary	949,452,315	915,655,409
+ Interest from BIDV - HCM Branch	10,952,127,062	6,097,266,019
+ Tan Thanh Construction Investment Company - Sardeung Project	7,498,800,000	7,498,800,000
+ Deposit to sell fixed assets	11,500,000,000	11,500,000,000
+ Deposit to sell tools and suppliers	900,000,000	900,000,000
+ Other payables	42,102,245,957	30,861,156,783
Total	115,869,901,822	97,516,039,470

	01/01/2020	Increase in the year	Decrease in the year	31/12/2020
15. Borrowings and finance lease liabili				
a) Short-term loans	52,106,537,506	-	785,821,000	51,320,716,506
- Short-term loans				
+ BIDV-HCM Branch ⁽¹⁾	51,320,716,506	-	-	51,320,716,506
- Financial lease liabilities is due				
+ ACB Leasing Company	785,821,000	-	785,821,000	-
b) Long-term loans	25,000,000,000	-	-	25,000,000,000
- Long-term loans				
+ Lilama Corporation ⁽²⁾	25,000,000,000	-	-	25,000,000,000

⁽¹⁾ Credit contract No. 01/2018/378284/HĐTD dated 05/01/2018, Amendment credit contract No. 01/2018/378284/HĐTD-PL2 dated 09/04/2019. Borrowings' purpose is to supplement working capital, opening L/C, guaranty. Credit limit is set at VND 110,000,000,000. Term of credit limit is 12 months from signed contract, loan tenor and the interest rate are specified for each disbursement. Collateral is specified in the credit contract.

⁽²⁾ Loans agreement No. 01/06/TCT-LM45.1 dated 13/11/2006, total loan amount with VND 25,000,000,000. This loan is used to invest in Sar Deung Hydropower Project. Interest rate is the average inter-bank in the 6 months is announced by the State Bank of Vietnam at the time of interest calculation.

	31/12/2020	01/01/2020
16. Other long-term payables		
- Collecting employees' land of 6.8 ha land	5,702,000,000	5,702,000,000
- Long-term deposits received	521,891,100	521,891,100
Total	6,223,891,100	6,223,891,100

17. Owners' contributed capital

a) Movements in owner's equity

Item	Owners' contributed capital	Investment & development fund	Other owners' equity	Retained earnings	Total
Opening balance in previous year	48,000,000,000	2,367,275,900	575,873,748	(10,345,815,678)	40,597,333,970
Increase	-	-	-	91,117,598	91,117,598
- Profit distribution	-	-	-	91,117,598	91,117,598
Decrease	-	-	-	-	-
Closing balance in previous year	48,000,000,000	2,367,275,900	575,873,748	(10,254,698,080)	40,688,451,568
Increase	-	-	-	40,356,153	40,356,153
- Profit in this year	-	-	-	40,356,153	40,356,153
Decrease	-	-	-	-	-
Closing balance in this year	48,000,000,000	2,367,275,900	575,873,748	(10,214,341,927)	40,728,807,721

b) Details of owner's equity

	31/12/2020	01/01/2020
- Lilama Corporation	17,280,000,000	17,280,000,000
- Other shareholders	30,720,000,000	30,720,000,000
Total	48,000,000,000	48,000,000,000

c) Capital transactions with owners and dividend distribution

	Kỳ này	Kỳ trước
Owners' contributed capital		
+ Contribution at the year beginning	48,000,000,000	48,000,000,000
+ Contribution increase in year	-	-
+ Contribution decrease in year	-	-
+ Contribution at the year end	48,000,000,000	48,000,000,000
- Paid dividend, shared profit	-	-

d) Shares

	31/12/2020	01/01/2020
Amount of issuing registered shares	4,800,000	4,800,000
Amount of shares issued to the public	4,800,000	4,800,000
- Common shares	4,800,000	4,800,000
Amount of share repurchase	-	-
Amount of outstanding shares	4,800,000	4,800,000
- Common shares	4,800,000	4,800,000
Par-value of outstanding share: VND 10,000 per share		

18. Off- balance sheet items

	31/12/2020	01/01/2020
- Foreign currency		
+ USD	373.01	412.61
+ EUR	484.57	505.16

VI. ADDITIONAL INFORMATION TO ITEMS PRESENTED IN THE INCOME STATEMENT

	Unit: VND	
	Year 2020	Year 2019
1. Total revenue from sales of goods and rendering services		
a) Revenue		
- Revenue from Constructions	95,874,090,724	82,795,308,669
- Revenue from sales of goods	789,618,400	5,330,792,146
- Revenue from ground and equipment leasing	3,373,994,202	2,142,489,674
Total	100,037,703,326	90,268,590,489
b) Revenue from related parties		
- Lilama Corporation	6,645,868,328	3,277,279,220
Total	6,645,868,328	3,277,279,220
2. Cost of goods sold	Year 2020	Year 2019
- Cost of constructions	82,402,495,819	73,892,375,551
- Cost of goods sold	1,409,953,585	4,253,000,848
- Cost of ground and equipment leasing	2,250,987,144	1,192,407,247
Total	86,063,436,548	79,337,783,646
3. Financial income	Year 2020	Year 2019
- Interest expense	36,657,020	47,240,374
- Foreign exchange loss	17,453,813	-
Total	54,110,833	47,240,374
4. Financial income	Year 2020	Year 2019
- Interest expense	4,877,046,313	5,030,164,214
- Foreign exchange loss	-	3,424,379
Total	4,877,046,313	5,033,588,593
5. Other income	Year 2020	Year 2019
- Income from liquidation of fixed assets	530,100,000	4,358,124,331
- Others income	36,800,408	35,600,364
Total	566,900,408	4,393,724,695
6. Other expense	Year 2020	Year 2019
- Others	2,832,028,500	3,254,569,390
Total	2,832,028,500	3,254,569,390
7. Current corporate income tax expense	Year 2020	Year 2019
- Current corporate income tax expense	10,089,038	22,779,400
Total	10,089,038	22,779,400

8. Basic earnings per share	Year 2020	Year 2019
- Profit after Corporate income tax	40,356,153	91,117,598
- Distributed profits to the Company's common shareholders	40,356,153	91,117,598
- Bonus and welfare fund (*)	-	-
- Weighted average number of ordinary shares in circulation for the period	4,800,000	4,800,000
- Basic earnings per share	8	19
- Diluted earnings per share	8	19

(*) According to the Resolution of Annual General Meeting of Shareholders in year 2020 No. 26/2020/NQ-HĐQT dated 29/06/2020, the Company did not set up a bonus and welfare fund when distributing profits in 2019.

9. Production cost by nature	Year 2020	Year 2019
- Raw material and consumables	23,051,453,043	10,135,196,718
- Labor cost	13,226,394,575	18,937,150,232
- Depreciation and amortization	1,853,859,297	2,007,106,889
- Out-sourced services cost	82,071,836,860	60,528,162,828
- Other monetary cost	60,692,737	838,292,236
Total	120,264,236,512	92,445,908,903

VII. OTHER INFORMATION

1. Subsequent events after balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

2. Related parties information

During the year, the Company has entered into its significant transactions with related parties as follows:

No	Related parties	Relationship	Content	Transaction value
1	Lilama Corporation	Unit of capital contribution	Revenue	6,645,868,328
	- Uong Bi Thermal Power Factory Plant			1,913,655
	- Barh India Thermal Power Factory Plant			6,643,954,673
			Collecting amount	350,000,000
			Offset debts	1,782,725,914

Remuneration for Board of Management and Supervisor Board

Board of Management and Supervisor Board didn't have any salary, remuneration in year 2020.

Salary of Board of Director, Chief Accountant and Others management


Name	Position	Year 2020
Mr Nguyen Ba Sung	General Director	216,223,077
Mr Hoang Si Nhan	Deputy General Director (From 01/01/2020 to 30/07/2020)	115,921,448
Mr Nguyen Huu Can	Deputy General Director	192,005,700
Mr Nguyen Tien Son	Deputy General Director (From 04/08/2020 to 31/12/2020)	80,650,500
Mr Dinh Viet Son	Deputy General Director (From 04/08/2020 to 31/12/2020)	71,383,182
Ms Duong Thi Hai	Chief Accountant	195,624,259
Total		871,808,166

3. Divisional report

Currently, the Company's operations in geographic areas with no major differences in business conditions and the type of construction business. Therefore, the divisional report is not presented.

4. **Comparative figures**

Comparative figures are were obtained from the Financial Statements for the fical year ended 31/12/2019 that was audited by Vietnam Auditing and Valuation Co., Ltd (AVA).

Prepared by 

Trung Thi Hong

Chief Accountant



Duong Thi Hai

Ho Chi Minh City, 25 March 2021

General Director





Nguyen Ba Sung

