

CONSOLIDATED FINANCIAL STATEMENTS

PHU TAI JOINT STOCK COMPANY

For the fiscal year ended as at 31 December 2018

(Audited)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Phu Tai Joint Stock Company ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

THE COMPANY

Phu Tai Joint Stock Company was established under the Decision No. 150/QD-BQP dated 10 November 2004 by the Ministry of Defence on the transformation of Phu Tai Company under Military Zone 5 into Phu Tai Joint Stock Company.

The Company is operating under the Business Registration Certificate No. 4100259236, firstly issued on 30 December 2004 and amended for the 25th time on 25 July 2018.

The Company's head office is located at No. 278, Nguyen Thi Dinh, Quy Nhon City, Binh Dinh Province.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

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

Mr. Le Vy	Chairman	
Mr. Le Van Thao	Vice Chairman	
Mr. Tran Thanh Cung	Member	
Mr. Phan Quoc Hoai	Member	
Mr. Nguyen Sy Hoe	Member	
Mr. Le Van Loc	Member	
Mr. Do Xuan Lap	Member	(Appointed on 21 April 2018)
Mr. Tran Huu Duc	Member	(Appointed on 21 April 2018)
Mr. Nguyen Duc Thang	Member	(Resigned on 21 April 2018)

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

Mr. Le Van Thao	General Director
Mr. Tran Thanh Cung	Deputy General Director
Mr. Phan Quoc Hoai	Deputy General Director
Mr. Nguyen Sy Hoe	Deputy General Director

The members of the Board of Supervision are:

Mr. Bui Thuc Hung	Head	(Resigned on 21 April 2018)
Mr. Truong Cong Hoang	Member	(Resigned on 21 April 2018)
Mr. Nguyen Duc Hanh	Member	(Resigned on 21 April 2018)

Under Resolution No.02/NQ-DHDCD dated 21 April 2018 of the Annual General Meeting of Shareholders of Phu Tai Joint Stock Company on approval to change the Company's operation model and management structure without the Board of Supervision, additional member appointment, and change the member of the Board of Management and establish the Board of Internal Audit under the Board of Management. Under Decision No. 87/QD-HDQT dated 26 June 2018 of the Phu Tai Joint Stock Company's Board of Management on approval to establish the Board of Internal Audit including:

Phu Tai Joint Stock Company

Address: No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Mr. Bui Thuc Hung	Head	(Appointed on 26 June 2018)
Mr. Truong Cong Hoang	Member	(Appointed on 26 June 2018)
Mrs. Dang Thi Tu Oanh	Member	(Appointed on 26 June 2018)

AUDITORS

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

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018, its operation results and cash flows in the year 2018 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

Other commitments

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

Binh Dinh, 20 March 2019
On behalf of the Board of General Directors
General Director

LE VAN THAO

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, Board of Management and Board of General Directors
Phu Tai Joint Stock Company**

We have audited the accompanying Consolidated Financial Statements of Phu Tai Joint Stock Company prepared on 20 March 2019, as set out on pages 06 to 55, including: Consolidated Statement of Financial position as at 31 December 2018, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporation Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Consolidated Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Phu Tai Joint Stock Company as at 31 December 2018, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.



AASC Auditing Firm Company Limited

Do Thi Ngoc Dung

Deputy General Director

Registered Auditor No.: 0659-2018-002-1

Hanoi, 20 March 2019

Hoang Thuy Nga

Auditor

Registered Auditor No.: 0762-2018-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Code	ASSETS	Note	31/12/2018 VND	01/01/2018 VND
100	A. CURRENT ASSETS		2,096,124,844,587	1,415,409,633,734
110	I. Cash and cash equivalents	3	67,039,272,068	55,423,331,747
111	1. Cash		67,039,272,068	55,423,331,747
120	II. Short-term investments	4	157,549,278,166	49,298,438,162
121	1. Trading securities		450,000,000	12,061,200,000
123	2. Held- to- maturity investments		157,099,278,166	37,237,238,162
130	III. Short-term receivables		730,963,177,284	517,896,124,552
131	1. Short-term trade receivables	5	639,141,601,009	451,617,305,651
132	2. Short-term prepayments to suppliers	6	62,027,125,553	70,164,989,001
135	3. Short-term loan receivable	7	17,796,000,000	-
136	4. Other short-term receivables	8	24,761,753,037	9,494,317,181
137	5. Provision for short-term doubtful debts		(13,062,805,516)	(14,169,110,361)
139	6. Shortage of assets awaiting resolution	9	299,503,201	788,623,080
140	IV. Inventories	11	1,020,171,869,415	720,510,086,276
141	1. Inventories		1,020,171,869,415	720,536,459,276
149	2. Provision for devaluation of inventories		-	(26,373,000)
150	V. Other short-term assets		120,401,247,654	72,281,652,997
151	1. Short-term prepaid expenses	12	36,591,535,025	21,251,620,785
152	2. Deductible VAT		83,181,615,062	50,610,144,238
153	3. Taxes and other receivables from State budget	18	628,097,567	419,887,974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(Continued)

Code	ASSETS	Note	31/12/2018 VND	01/01/2018 VND
200	B. NON-CURRENT ASSETS		1,303,117,086,904	1,166,019,200,480
210	I. Long-term receivables		10,720,025,001	9,273,630,348
216	1. Other long-term receivables	8	10,720,025,001	9,273,630,348
220	II. Fixed assets		1,081,386,306,624	994,500,851,772
221	1. Tangible fixed assets	13	1,051,398,781,196	963,955,605,983
222	- Historical cost		1,879,578,246,956	1,644,877,304,039
223	- Accumulated depreciation		(828,179,465,760)	(680,921,698,056)
227	2. Intangible fixed assets	14	29,987,525,428	30,545,245,789
228	- Historical cost		46,457,516,253	44,762,338,823
229	- Accumulated depreciation		(16,469,990,825)	(14,217,093,034)
240	III. Long-term assets in progress		93,459,510,317	66,279,289,775
242	1. Construction in progress	15	93,459,510,317	66,279,289,775
250	IV. Long-term financial investments	4	4,200,000,000	10,000,000
253	1. Investments in equity of other entities		4,200,000,000	10,000,000
260	V. Other long-term assets		113,351,244,962	95,955,428,585
261	1. Long-term prepaid expenses	12	96,998,583,851	77,706,512,931
262	2. Deferred income tax assets	35	795,333,320	676,485,942
269	3. Goodwill		15,557,327,791	17,572,429,712
270	TOTAL ASSETS		3,399,241,931,491	2,581,428,834,214

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(Continued)

Code	CAPITAL	Note	31/12/2018 VND	01/01/2018 VND
300	C. LIABILITIES		1,738,347,209,742	1,484,944,391,750
310	I. Current liabilities		1,655,557,759,465	1,379,856,445,651
311	1. Short-term trade payables	17	327,190,341,025	234,599,149,956
312	2. Short-term prepayments from customers	16	27,376,109,614	19,227,273,527
313	3. Taxes and other payables to State budget	18	48,850,405,956	25,617,110,128
314	4. Payables to employees		54,486,320,054	34,685,004,596
315	5. Short-term accrued expenses	19	9,165,580,807	17,946,389,460
318	6. Short-term unearned revenue	20	152,636,363	190,206,817
319	7. Other short-term payables	21	17,824,629,423	16,146,193,785
320	8. Short-term borrowings and finance lease liabilities	22	1,131,280,461,665	975,972,434,752
321	9. Provisions for short-term payables	23	4,647,971,217	11,352,515,543
322	10. Bonus and welfare fund		34,583,303,341	44,120,167,087
330	II. Non- current liabilities		82,789,450,277	105,087,946,099
337	1. Other long-term payables	21	4,248,039,330	555,526,534
338	2. Long-term borrowings and finance lease liabilities	22	74,023,682,560	102,206,556,023
341	3. Deferred income tax liabilities	35	20,033,095	-
342	4. Provisions for long-term payables	23	4,497,695,292	2,325,863,542
400	D. OWNER'S EQUITY		1,660,894,721,749	1,096,484,442,464
410	I. Owner's equity	24	1,660,894,721,749	1,096,484,442,464
411	1. Contributed capital		485,994,410,000	259,201,940,000
411a	Ordinary shares with voting rights		485,994,410,000	259,201,940,000
412	2. Share Premium		162,128,986,832	309,636,832
414	3. Other capital		566,683,450,074	446,041,089,732
418	4. Development and investment funds		5,266,263,893	4,172,748,443
421	5. Retained earnings		387,167,064,757	337,738,624,660
421a	Retained earnings accumulated till the end of the previous year		2,539,650,009	-
421b	Retained earnings of the current year		384,627,414,748	337,738,624,660
429	6. Non - Controlling Interest		53,654,546,193	49,020,402,797
440	TOTAL CAPITAL		3,399,241,931,491	2,581,428,834,214

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 20 March 2019

General Director



LE VAN THAO

CONSOLIDATED STATEMENT OF INCOME

Year 2018

Code	ITEMS	Note	Year 2018 VND	Year 2017 VND
01	1. Revenues from sales of goods and rendering of services	26	4,719,065,031,021	3,971,327,655,130
10	2. Net revenues from sales of goods and rendering of services		4,719,065,031,021	3,971,327,655,130
11	3. Cost of goods sold	27	3,876,043,018,702	3,274,288,493,116
20	4. Gross profit from sales of goods and rendering of services		843,022,012,319	697,039,162,014
21	5. Financial income	28	26,965,864,987	11,975,779,256
22	6. Financial expense	29	66,809,799,481	36,636,166,680
23	In which : Interest expense		57,210,326,024	32,981,179,043
25	7. Selling expense	30	177,405,041,790	178,324,812,278
26	8. General and administrative expense	31	157,471,418,817	98,463,945,390
30	9. Net profit from operating activities		468,301,617,218	395,590,016,922
31	10. Other income	32	11,966,928,033	33,923,881,452
32	11. Other expense	33	5,195,771,478	5,264,102,213
40	12. Other profit		6,771,156,555	28,659,779,239
50	13. Total net profit before tax		475,072,773,773	424,249,796,161
51	14. Current corporate income tax expense	34	75,362,815,158	64,093,001,158
52	15. Deferred corporate income tax expense	35	(98,814,283)	(1,002,294,925)
60	16. Profit after corporate income tax		399,808,772,898	361,159,089,928
61	17. Profit after corporate income tax of holding company		384,627,414,748	344,538,398,003
62	18. Profit after corporate income tax of the non-controlling shareholders		15,181,358,150	16,620,691,925
70	19. Basic earnings per share	36	8,389	8,180
71	20. Diluted earnings per share	37	8,389	7,089

Preparer

Vo Phuong Thao

Chief Accountant

Nguyen Thi My Loan

Binh Dinh, 20 March 2019

General Director



LE VAN THAO

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018
(Indirect method)

Code	ITEMS	Note	Year 2018 VND	Year 2017 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		475,072,773,773	424,249,796,161
	2. Adjustment for:		204,440,294,538	154,660,128,554
02	- Depreciation of fixed assets and amortization investment properties		169,661,197,197	136,234,677,951
03	- Provisions		(5,665,390,421)	(2,608,675,577)
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currencies		(1,748,126,554)	(117,372,463)
05	- Gains / losses from investment		(15,017,711,708)	(11,829,680,400)
06	- Interest expense		57,210,326,024	32,981,179,043
08	3. Operating profit before changes in working capital		679,513,068,311	578,909,924,715
09	- Increase or decrease in receivables		(210,951,084,322)	(75,254,891,454)
10	- Increase or decrease in inventories		(299,635,410,139)	(119,807,849,582)
11	- Increase or decrease in payables (excluding interest payable, corporate income tax payable)		132,125,237,315	(9,309,672,257)
12	- Increase or decrease in prepaid expenses		(16,083,834,140)	(19,820,920,095)
13	- Increase or decrease in trading securities		11,611,200,000	388,800,000
14	- Interest paid		(57,970,641,976)	(33,357,723,208)
15	- Corporate income tax paid		(59,975,480,985)	(79,587,587,717)
16	- Other receipts from operating activities		-	104,656,724
17	- Other payments on operating activities		(28,844,884,708)	(25,985,084,653)
20	Net cash flow from operating activities		149,788,169,356	216,279,652,473
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(324,822,803,845)	(493,261,221,663)
22	2. Proceeds from disposals of fixed assets and other long-term assets		6,088,697,325	12,217,775,719
23	3. Loans and purchase of debt instruments from other entities		(137,658,040,004)	(2,923,689,162)
25	4. Equity investments in other entities		(4,200,000,000)	(20,662,911,531)
26	5. Proceeds from equity investment in other entities		10,000,000	-
27	6. Interest and dividend received		10,055,391,573	5,629,973,251
30	Net cash flow from investing activities		(450,526,754,951)	(499,000,073,386)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018
(Indirect method)
(Continued)

Code	ITEMS	Note	Year 2018	Year 2017
			VND	VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Proceeds from issuance of shares and receipt of contributed capital		226,614,890,000	-
33	2. Proceeds from borrowings		2,966,274,547,286	2,823,261,653,978
34	3. Repayment of principal		(2,838,773,947,065)	(2,489,401,859,963)
36	4. Dividends or profits paid to owners		(41,999,194,948)	(29,647,327,000)
40	Net cash flow from financing activities		312,116,295,273	304,212,467,015
50	Net cash flows in the year		11,377,709,678	21,492,046,102
60	Cash and cash equivalents at the beginning of the year		55,423,331,747	33,769,815,934
61	Effect of exchange rate fluctuations		238,230,643	161,469,711
70	Cash and cash equivalents at the end of the year	3	67,039,272,068	55,423,331,747

Preparer



Vo Phuong Thao

Chief accountant



Nguyen Thi My Loan

Binh Dinh, 20 March 2019

General Director



LE VAN THAO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year 2018

1. GENERAL INFORMATION OF THE COMPANY

Phu Tai Joint Stock Company was established under the Decision No. 150/QD-BQP dated 10 November 2004 by the Ministry of Defence on the transformation of Phu Tai Company under Military Zone 5 into Phu Tai Joint Stock Company.

The Company is operating under the Business Registration Certificate No. 4100259236, firstly issued on 30 December 2004 and amended for the 25th time on 25 July 2018.

The Company's charter capital is VND 485,994,410,000; equivalent to 48,599,441 shares, with the par value of VND 10,000.

Business field: Industrial manufacturing, trading and services.

Business activities

Main business activities of the Company include:

- Cutting, shaping and finishing granite, basalt, marble;
- Exploiting granite, basalt; exploiting stone, sand and gravel for use as construction materials;
- Manufacturing beds, wardrobes, tables, chairs and other products of wood;
- Purchasing and selling cars and spare parts; maintaining and repairing cars and other motor vehicles;
- Producing crushed stone, lime and similar products;
- Office leasing;
- Purchasing and selling products from granite, basalt, marble;
- Wholesaling automobiles and other motor vehicles;
- Maintenance and repair of cars and other motor vehicles;
- Sale of spare parts and accessories of cars and other motor vehicles.

Group structure:

The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2018 include:

Name of Company	Head office	Proportion of ownership	Proportion of voting rights	Principal activities
Phu Yen Construction Materials JSC	Tuy Hoa - Phu Yen	50.65%	50.65%	Mining and processing paving stones, construction stone, construction sand
Tuan Dat Minerals One-member Company Limited	Quy Nhon - Binh Dinh	100%	100%	Exploiting and processing stone
Vina G7 Joint Stock Company	Bien Hoa - Dong Nai	75%	75%	Manufacturing and trading wood products
Universal Stone Joint Stock Company	Ho Chi Minh City	60%	60%	Manufacturing and trading stone products
Toyota Binh Dinh One-member Company Limited	Quy Nhon - Binh Dinh	100%	100%	Trading and repairing cars
Toyota Da Nang One-member Company Limited	Da Nang City	100%	100%	Trading and repairing cars

Name of Company	Head office	Proportion of ownership	Proportion of voting rights	Principal activities
Phu Tai Dong Nai One-member Company Limited	Bien Hoa - Dong Nai	100%	100%	Manufacturing and trading wood products
Granite Manufacturing Company Limited	Ho Chi Minh city	70%	70%	Manufacturing and trading stone products
Phu Tai Real Estate Company Limited ^[1]	Quy Nhon - Binh Dinh	100%	100%	Trading real estate
Thanh Chau Phu Yen Granite Company Limited ^[2]	Dong Xuan - Phu Yen	100%	100%	Exploiting and processing stone

Information about the Group's restructuring:

^[1] According to Decision No. 56/QĐ-HĐQT dated 20 April 2018 of the Board of Management, the Company has completed procedures to establish Phu Tai Real Estate One-member Company Limited with charter capital of VND 100,000,000,000. As at 31 December 2018, the Company has contributed VND 90,000,000,000 to its subsidiary.

^[2] According to Decision No. 111/QĐ-HĐQT dated 02 July 2018 of the Board of Management, the Company has received 100% capital contribution equivalent to VND 10,000,000,000 at Thanh Chau Phu Yen Granite Company Limited with the transfer value of VND 10,000,000,000. As at 31 December 2018, Phu Tai Joint Stock Company has contributed addition capital, raising the charter capital of Thanh Chau Phu Yen Granite Company Limited to VND 30,000,000,000.

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1. Accounting period and accounting currency

Annual accounting period commences from 01 January and ends as at 31 December.
The Company maintains its accounting records in VND.

2.2. Standards and Applicable Accounting Policies

Applicable Accounting Policies

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3. Basis for preparation of Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

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

The operating results of subsidiaries acquired or disposed during the year are included in the Consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

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

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

2.4. Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5. Foreign currency transactions

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

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

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

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

All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year.

2.6. Cash

Cash comprises cash on hand and demand deposits.

2.7. Business combination and goodwill

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the acquisition date.

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

2.8. Financial investments

Trading securities are initially recognized at original cost, which includes purchase prices plus any directly attributable transaction costs such as brokerage, transaction fee, cost of information provision, taxes, bank's fees and charges. After initial recognition, trading securities are measured at original cost less provision for diminution in value of trading securities. Upon the liquidation or transfer, cost of trading securities is determined using weighted average method.

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

Equity Investments in other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

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

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

2.9. Receivables

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

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

2.10. Inventories

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

The value of work in progress is recorded based on actual cost incurred for each unfinished product.

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

2.11. Fixed assets

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

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

- Buildings and structures	06 - 30 years
- Machinery, equipment	04 - 10 years
- Vehicles, transportation equipment	06 - 12 years
- Office equipment	03 - 08 years
- Others tangible fixed assets	05 - 08 years
- Site preparation expenses	10 - 25 years
- Land use rights	50 years
- Mining rights	10 - 25 years
- Accounting software	05 years
- Others intangible fixed assets	02 - 20 years

During the year, the Company applied accelerated depreciation (with depreciation not exceeding 2 times compared to the straight-line depreciation method) for some machinery and equipment at 380 Enterprise, Basalt and Granite Processing Plant in Dak Nong and Phu Yen Construction Materials JSC . The depreciation expense exceeds the straight-line depreciation method: VND 1,787,378,909.

2.12. Construction in progress

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

2.13. Prepaid expenses

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

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

2.14. Payables

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

2.15. Borrowings

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

2.16. Borrowing costs

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

2.17. Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as interest expenses, land rental, transportation expense etc. which are recorded as operating expenses of the reporting period.

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

2.18. Provision for payables

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

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

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

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

Cost of environmental restoration for the mines is recorded based on total estimated cost of environmental restoration which has been approved by the authorized authorities. This method is aimed to ensure the matching

convention between revenues and expenses and to avoid a large fluctuation in expenses for the period when the environmental restoration is carried out.

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

2.19. Unearned revenues

Unearned revenues include prepayment from customers for one or many accounting periods relating to asset leasing.

Unearned revenues are transferred to revenue from sale of goods and rendering of services with the amount corresponding to each accounting period.

2.20. Owner's equity

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

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

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

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

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

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

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

2.21. Revenues

Sales of goods

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

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;

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

Rendering of services

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

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

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

Revenue from operating lease

Revenue from operating lease mainly includes: revenue from office and factory leasing, which are charged to income statement on a straight-line basis over the period of the leases under leasing contract.

Financial income

Revenue arising from the use by the others of the Company's assets yielding interest, royalties and dividends shall be recognised when:

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

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

2.22. Cost of goods sold

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

2.23. Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

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

2.24. Corporate income tax

a) Deferred income tax asset and Deferred income tax liability

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

Deferred income tax asset and Deferred income tax liability are determined based on prevailing corporate income tax rate, tax rates and tax laws enacted at the end of the reporting period.

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

Current corporate income tax expenses are determined based on taxable income during the accounting period and current corporate income tax rate.

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

Current corporate income tax expenses cannot be offset against deferred corporate income tax expenses.

c) Tax incentives

According to the Investment Certificates No. 47221001231 dated 05 May 2015 of Department of Planning and Investment of Dong Nai Province, No. 0421432406 dated 25 April 2016 of Department of Planning and Investment of Binh Dinh province and No. 4766305247 dated 29 August 2016 of Department of Planning and Investment of Hung Yen province, the Company is exempt from corporate income tax in 2 years since there is taxable income and is subject to 50% reduction of tax payable in the next 4 years for the taxable income of Granite Processing Plant in Dong Nai province, Binh Dinh province and Hung Yen province. 2016 was the first year when Granite Processing Plant in Dong Nai province is exempt from corporate income tax. 2017 was the first year when Granite Processing Plant in Binh Dinh province and Hung Yen province are exempt from corporate income tax.

d) Current corporate income tax rate

The Company is currently applying the corporate income tax rate of 20% for the fiscal year ended as at 31 December 2018.

2.25. Earnings per share

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

Diluted earnings per share are calculated by dividing the net profit or loss after tax attributable to common shareholders of the Company (after appropriation to bonus and welfare fund, allowance for Board of Directors and interest on the convertible preferred shares) by the weighted average number of common shares expected to be issued in case all dilutive potential common shares are converted into common shares.

2.26. Related Parties

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

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

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.27. Segment information

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

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

3. CASH AND CASH EQUIVALENTS

	31/12/2018	01/01/2018
	VND	VND
Cash on hand	10,850,847,601	6,066,442,573
Demand deposits	56,188,424,467	49,356,889,174
	67,039,272,068	55,423,331,747

4. SHORT TERM FINANCIAL INVESTMENTS

a) Held-to-maturity investments

	31/12/2018		01/01/2018	
	Original cost	Carrying amount	Original cost	Carrying amount
	VND	VND	VND	VND
Short-term investments				
- Term-deposits ^[1]	157,099,278,166	157,099,278,166	37,237,238,162	37,237,238,162
	157,099,278,166	157,099,278,166	37,237,238,162	37,237,238,162

^[1] As at 31 December 2018, the Company has 6-month term deposits with the total amount of VND 107,099,278,166 at Vietnam Prosperity Joint Stock Commercial Bank - Quy Nhon Branch and VND 50,000,000,000 at Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch at the interest rate of 8% per year.

Phu Tai Joint Stock Company

No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2018

b) Trading securities

Stock code	31/12/2018			01/01/2018		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Investment in stock						
- MB Property Joint Stock Company ^[1]	450,000,000	-	-	12,061,200,000	26,367,100,000	-
- Binh Dinh Pharmaceutical and Medical equipment Joint stock Company ^[2]	450,000,000	-	-	450,000,000	-	-
	-	-	-	11,611,200,000	26,367,100,000	-
	450,000,000	-	-	12,061,200,000	26,367,100,000	-

^[1] The Company has not determined the fair value of financial investments since Vietnam Accounting Standards and Vietnam Corporate Accounting System has not had any detailed guidance on the determination of the fair value.

^[2] The fair value of shares of Binh Dinh Pharmaceutical Medical Equipment Joint Stock Company (Code: DBD) as at 01/01/2018 is determined at its closing prices on UPCOM on 29 December 2017. In the year, the Company sold the whole 483,800 DBD shares at the value of VND 19,455,465,500.

c) Investments in equity of other entities

	31/12/2018			01/01/2018		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Investments in equity of other entities						
- Chanh Phu Hoa Construction Investment Joint Stock Company ^[1]	4,200,000,000	-	-	10,000,000	-	-
- Investments in other entities	-	-	-	10,000,000	-	-
	4,200,000,000	-	-	10,000,000	-	-

^[1] During the year, the Company was approved to invest in Chanh Phu Hoa Construction and Investment Joint Stock Company with expected number of share purchased is 700,000 shares, the value of each share is VND 20,000, the total estimated investment value is VND 14,000,000,000. As at 31 December 2018, the Company completed procedures to purchase 210,000 shares of this company with the amount of VND 4,200,000,000.

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

Investments in equity of other entities

Name of companies	Place of establishment and operation	Rate of interest	Rate of voting rights	Principal activities
Chanh Phu Hoa Constructing Investment Joint Stock Company	7 Ngo Van Tri Street, Phu Loi Ward, Thu Dau Mot City, Binh Duong	0.85%	0.85%	Constructing and trading real estate

5. SHORT-TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Trade receivables detailed by customers with large balances				
- Thanh Hoa Co., Ltd	51,649,110,184	-	14,181,419,493	-
- Vinh Thai Timber Export and Import Company Ltd	36,871,832,087	-	9,136,025,961	-
- Yaraghi LLC	21,076,117,472	-	16,802,006,468	-
- Castorama France SAS	19,414,691,113	-	32,454,296,133	-
- Brico Depot Sas	18,195,256,888	-	-	-
- Hau Nhan Company Ltd	18,044,891,163	-	-	-
- Carrefour Imports SAS	16,744,815,647	-	29,374,535,816	-
- Masterbrand Cabinets INC	15,468,479,398	-	-	-
- B and Q PLC	15,151,536,305	-	10,511,214,006	-
- The Anh Transport Service and Trading Co., Ltd	12,853,639,928	-	8,746,150,405	-
- Bricostore	12,662,515,514	-	963,202,211	-
- FLC Faros Construction JSC	12,351,278,759	-	19,483,299,767	-
- Advance Furniture (VIC) PTY	10,856,318,479	-	5,177,819,811	-
- Melissa +Doug LLC	9,653,025,432	-	-	-
- Licogi I3 Joint Stock Company	6,787,361,354	(5,282,527,948)	7,287,361,354	(5,251,152,948)
- Anh Kim Company Ltd	6,611,993,362	-	7,565,183,815	-
- Axxess Inc Pte Ltd-Mco	4,889,062,012	-	6,283,665,905	-
- Granitas Granit	3,774,724,472	-	3,078,888,268	-
- IP Consulting and Construction Company Ltd	2,491,380,700	-	8,439,249,000	-
- Anavil Company Ltd	-	-	7,459,382,182	-
- Sra Dis Tic Ltd Sti	-	-	7,440,178,798	-
- Others	343,593,570,740	(5,941,846,095)	257,233,426,258	(7,079,525,940)
	639,141,601,009	(11,224,374,043)	451,617,305,651	(12,330,678,888)

6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Tan Dai Phu Manufacturing and Trading Co. Ltd	12,663,541,400	-	-	-
- Huynh Le Trading and Service Company Ltd	5,200,000,000	-	-	-
- Sherng Yuan Machinery Co. Ltd	4,513,166,240	-	-	-
- Muradir	3,466,071,217	-	2,683,082,879	-
- Chamundi Natural Stones	3,687,169,040	-	4,506,584,224	-
- Toyota Motor VietNam	1,000,408,220	-	79,750,970	-
- Jaf Globle	-	-	28,897,574,797	-
- Gement	-	-	4,259,255,000	-
- Sao Dat Viet Consulting and Investment Joint Stock Company	-	-	2,590,000,000	-
- Sudima International PTE Ltd	-	-	1,506,785,113	-
- Others	31,496,769,436	(1,620,331,473)	25,641,956,018	(1,620,331,473)
	62,027,125,553	(1,620,331,473)	70,164,989,001	(1,620,331,473)

7. SHORT- TERM LOAN RECEIVABLE

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term loan receivables detailed by customers with large balances				
- Mrs. Nguyen Thi Thanh	9,426,000,000	-	-	-
- Mrs. Nguyen Thi Kiem Oanh	8,370,000,000	-	-	-
	17,796,000,000	-	-	-
b) Short-term loan receivables from related parties	8,370,000,000	-	-	-

(See details in Note 43)

Detailed information on short-term loan receivable:

Detailed information on short-term loan receivable at 31 December 2018 is as follows:

	Curr ency	Loan purpose	Interest rate/ year	Loan term	Loan guarantee	31/12/2018 VND
- Mrs. Nguyen Thi Thanh	VND	For personal purpose	Floating rate	12 months	Unsecured loan	9,426,000,000
- Mrs. Nguyen Thi Kiem Oanh	VND	For personal purpose	Floating rate	12 months	Unsecured loan	8,370,000,000
						17,796,000,000

8. OTHER RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Collateral, deposits	4,210,768,461	-	380,453,661	-
Advances to employees	17,600,525,071	-	7,890,303,211	-
Other receivables	2,950,459,505	(218,100,000)	1,223,560,309	(218,100,000)
- <i>Deposit interest receivable</i>	1,411,213,483	-	511,800,149	-
- <i>Receivables from social insurance, health insurance, unemployment insurance</i>	540,933,061	-	267,095,161	-
- <i>Purchase of property Advance receivable</i>	218,100,000	(218,100,000)	218,100,000	(218,100,000)
- <i>Others</i>	780,212,961	-	226,564,999	-
	24,761,753,037	(218,100,000)	9,494,317,181	(218,100,000)
b) Long-term				
Collateral, deposits	8,901,974,412	-	7,415,328,765	-
- <i>Environmental restoration deposits^[1]</i>	8,553,974,412	-	7,362,328,765	-
- <i>Contract deposits</i>	348,000,000	-	53,000,000	-
Other receivables	1,818,050,589	-	1,858,301,583	-
- <i>Receivables from site clearance which are offset against land rental at Thang Loi Enterprise</i>	1,818,050,589	-	1,858,301,583	-
	10,720,025,001	-	9,273,630,348	-

^[1] This is the deposit for environmental restoration after mining, which the company paid according to the Decision No. 18/2013/QĐ-TTg by the government dated 29 March 2013 on environmental improvement and remediation in mineral extraction.

9. SHORTAGE OF ASSETS AWAITING RESOLUTION

	31/12/2018	01/01/2018
	Value	Value
	VND	VND
Shortage of raw material in accordance with stock taking records	299,503,201	299,503,201
Burning materials	-	467,103,617
Burning fixed assets	-	22,016,262
	299,503,201	788,623,080

10. DOUBTFUL DEBTS

Total value of receivables and debts that are overdue or not due but difficult to be recovered:

	31/12/2018		01/01/2018	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
13 Licogi JSC	6,787,361,354	1,504,833,406	7,287,361,354	2,186,208,406
Tan Cuong Co., Ltd	1,175,007,342	587,503,798	1,175,007,342	587,503,798
Global Home Sro	1,071,012,417	1,071,012,417	1,071,012,417	1,071,012,417
Cattie Europa S.L	839,879,767	-	839,879,767	-
Ha Binh Co., Ltd	668,552,930	-	668,552,930	-
Chinh Truong Stone Quarry Co., Ltd	586,717,023	-	586,717,023	-
Binh Dinh Granite Co., Ltd	507,016,559	-	507,015,869	-
SAVI Furniture JSC	242,998,562	242,998,562	242,998,562	242,998,562
Dong Gia Viet Service Trade Manufacturing Co., Ltd	108,089,204	108,089,204	108,089,204	108,089,204
Lam Dong Stone Company	-	-	730,286,290	365,143,145
Trung Nam Construction Investment JSC	-	-	548,937,136	-
Others	4,834,241,606	243,633,861	5,517,175,406	552,967,407
	16,820,876,764	3,758,071,248	19,283,033,300	5,113,922,939

The above-mentioned receivables are overdue debts, which the company has made provision for. The above-mentioned recoverable value is determined based on the difference between original value of debts and provision for doubtful debts made for each entity. In the accounting year, the company has recovered a part of these debts and is trying to collect these receivables in the next year.

11. INVENTORIES

	31/12/2018		01/01/2018	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Goods in transit	17,405,857,038	-	10,066,339,813	-
Raw materials	396,078,436,651	-	371,643,646,508	-
Tools, supplies	2,244,723,336	-	2,693,999,428	-
Work in process	427,318,640,265	-	272,056,396,816	-
+ Stone products	195,272,063,619	-	117,632,503,636	-
+ Wood products	187,571,739,760	-	153,791,162,381	-
+ Real estate	43,927,451,024	-	-	-
+ Repair services	547,385,862	-	632,730,799	-
Finished goods	18,276,630,743	-	27,210,588,956	-
Goods	158,847,581,382	-	36,865,487,755	(26,373,000)
	1,020,171,869,415	-	720,536,459,276	(26,373,000)

12. PREPAID EXPENSES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
- Mining expenses	13,758,353,099	8,251,642,102
- Tools and supplies awaiting for allocation	11,919,811,091	6,091,606,892
- Expenditure on fixing machinery, equipment, factories	4,303,481,920	1,113,991,815
- Insurance expenses	2,557,285,404	1,140,960,187
- Other short-term prepaid expenses	4,052,603,511	4,653,419,789
	36,591,535,025	21,251,620,785
b) Long-term		
- Land and infrastructure rental expenses of Granite Processing Plant in Hung Yen Province ^[1]	31,089,461,759	31,975,622,189
- Land and infrastructure rental expenses of Phu Cat Wood Processing Plant in Binh Dinh Province ^[2]	17,071,334,578	17,392,674,946
- Land and infrastructure rental expenses of Granite Processing Plant in Binh Dinh Province ^[3]	6,752,419,130	5,122,103,603
- Expenses for the right to use leased land in Dien Tan, Dien Khanh, Khanh Hoa province pending allocation	11,018,000,000	-
- Land and infrastructure rental expenses of Tuan Dat factory	2,614,451,450	2,092,694,761
- Expenses for the right to use leased land in Dak Nong factory pending allocation	1,080,000,000	-
- Mining expenses	9,673,130,175	7,375,328,967
- Tools and supplies awaiting for allocation	7,658,787,935	6,190,526,261
- Expenditure on overhaul of machinery, equipment, factories	5,404,263,032	2,066,489,696
- Other long-term prepaid expenses	4,636,735,792	5,491,072,508
	96,998,583,851	77,706,512,931

^[1] This is the rental of land use right accompanying with infrastructure in Pho Noi A Industrial Zone, Yen My District, Hung Yen Province with the total area of 21,062 m², until 15 January 2054 for the construction of Granite Processing Plant in Hung Yen Province.

^[2] This is 50% of infrastructure rental in Cat Nhon industrial zone, Phu Cat District, Binh Dinh Province with the total area of 91,375.5 m², until 11 July 2057 for the construction of Phu Cat Wood Processing Plant.

^[3] This is the rental of land and infrastructure in Cat Nhon Industrial Zone, Phu Cat District, Binh Dinh Province with the total area of 39,426.5 m², and lease term of 41 years for the construction of Granite Processing Plant in Binh Dinh Province.

13. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation	Office equipment	Other tangibles fixed assets	Total
	VND	VND	VND	VND	VND	VND
Original cost						
Opening balance	641,719,028,281	771,282,364,839	226,473,711,208	5,245,197,647	157,002,064	1,644,877,304,039
- Purchase in the year	-	152,087,199,713	28,620,537,871	-	-	180,707,737,584
- Completed construction investment	72,108,548,976	-	-	-	-	72,108,548,976
- Increased caused by reclassified	445,000,000	-	-	-	-	445,000,000
- Liquidation, disposal	(522,743,762)	(13,746,599,343)	(4,291,000,538)	-	-	(18,560,343,643)
Ending balance	713,749,833,495	909,622,965,209	250,803,248,541	5,245,197,647	157,002,064	1,879,578,246,956
Accumulated depreciation						
Opening balance	201,014,193,981	379,352,640,904	95,733,300,542	4,664,560,565	157,002,064	680,921,698,056
- Depreciation for the year	61,295,609,226	73,617,282,627	28,350,848,478	231,913,825	-	163,495,654,156
- Increased caused by reclassified	296,666,667	-	-	-	-	296,666,667
- Liquidation, disposal	(522,743,762)	(14,771,242,313)	(1,240,567,044)	-	-	(16,534,553,119)
Ending balance	262,083,726,112	438,198,681,218	122,843,581,976	4,896,474,390	157,002,064	828,179,465,760
Net carrying amount						
Opening balance	440,704,834,300	391,929,723,935	130,740,410,666	580,637,082	-	963,955,605,983
Ending balance	451,666,107,383	471,424,283,991	127,959,666,565	348,723,257	-	1,051,398,781,196

- At the end of period, the carrying amount of tangible assets used as mortgages and collateral for loans is VND 269,029,083,124;
 - Original cost of fully depreciated tangible fixed assets at the end of the period but still in use is VND 285,342,623,293.

14. INTANGIBLE FIXED ASSETS

	Site preparation expenses	Land use rights	Mining rights	Accounting software	Other intangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Opening balance	18,408,889,373	16,403,892,946	9,131,614,586	86,416,000	731,525,918	44,762,338,823
- Purchase in the year	-	-	6,240,177,430	-	-	6,240,177,430
- Reduce caused by reclassification	-	(4,100,000,000)	(445,000,000)	-	-	(4,545,000,000)
Ending balance	18,408,889,373	12,303,892,946	14,926,792,016	86,416,000	731,525,918	46,457,516,253
Accumulated amortization						
Opening balance	7,700,059,172	2,384,027,208	3,315,064,736	86,416,000	731,525,918	14,217,093,034
- Depreciation for the year	1,610,719,250	437,964,458	500,880,750	-	-	2,549,564,458
- Reduce caused by reclassification	-	-	(296,666,667)	-	-	(296,666,667)
Ending balance	9,310,778,422	2,821,991,666	3,519,278,819	86,416,000	731,525,918	16,469,990,825
Net carrying amount						
Opening balance	10,708,830,201	14,019,865,738	5,816,549,850	-	-	30,545,245,789
Ending balance	9,098,110,951	9,481,901,280	11,407,513,197	-	-	29,987,525,428

- Original cost of fully depreciated tangible fixed assets at the end of the period but still in use is VND 817,941,918.

15. CONSTRUCTION IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
Construction in progress	76,233,357,339	51,055,693,395
- Project of expanding Thang Loi Wood Processing Plant in Phuoc Thanh, Tuy Phuoc, Binh Dinh Province ^[1]	44,774,307,032	-
- Project of expanding Binh Dinh Granite Processing Plant, Phu Cat, Binh Dinh Province ^[2]	6,760,522,834	-
- Project of Thanh Chau Phu Yen Stone factory ^[3]	3,407,602,930	-
- Project of Phu Cat Wood Processing Plant in Binh Dinh Province - phase II	451,090,652	26,197,336,003
- Project of Stone Processing Plant in Phuoc My ward, Quy Nhon City, Binh Dinh Province	-	8,794,716,000
- Project of constructing Granite Processing Plant in Khanh Hoa Province	-	6,599,716,255
- Construction of office building of Vina G7 JSC	-	5,361,602,496
- Contruction expense of Da Du quarry	7,035,241,169	-
- Contruction expense of Da Loc quarry	1,633,253,198	-
- Contruction expense of Song Hinh quarry	1,039,964,500	-
- Contruction expense of Dien Tan quarry	-	2,983,076,206
- Others	11,131,375,024	1,119,246,435
Purchase of fixed assets	17,006,576,797	14,876,681,380
- Machinery and equipment for wood	10,195,292,320	-
- Machinery and equipment for stone	6,811,284,477	14,876,681,380
Major repairs	219,576,181	346,915,000
- Repair of factory	219,576,181	346,915,000
	93,459,510,317	66,279,289,775

^[1] According to Decision No. 128/QD-HDQT dated 21 August 2018 of the Board of Management, the Company conducted the Project of expanding Thang Loi Wood Processing Plant with detailed information as follows:

- Project name: Project of expanding Thang Loi Wood Processing Plant;
- Investor: Phu Tai Joint Stock Company;
- Project management unit: Thang Loi Enterprise;
- Address: Binh An 1 Village, Phuoc Thanh Commune, Tuy Phuoc District, Binh Dinh Province;
- Investing purpose: Ground expansion, arrangement of production lines; production capacity improvement, increasing plant capacity to 1.4 times, and operational efficiency to 1.5 times compared to the current situation;
- Project scale:
 - + Expanded land area: 36,040 m²;
 - + Total area of new construction plant: 20,780 m²;
 - + Equipment of production: addition of machineries and equipment for production lines to ensure the productivity as required;
- Total investment budget: VND 86,454,480,850;
- Implementation time: from September 2018 to 31 January 2019, the project will be completed and handed over;
- As at 31 December 2018, the project is still running.

^[2] According to Decision No. 145/QD-HDQT dated 22 October 2018 of the Board of Management, the Company conducted the Project of expanding Binh Dinh Granite Processing Plant with detailed information as follows:

- Project name: Project of expanding Binh Dinh Granite Processing Plant;

- Address: Cat Nhon Industrial zone, Cat Nhon Commune, Phu Cat District, Binh Dinh Province;
- Investing purpose: Investing in the workshop for production of seam and paving stones, expansion of production scale of the existing factory, use of secondary materials for production of seam and paving stones;
- Project scale: Expanding the plant with expected productivity of 12,000 m³ per year;
- Total investment budget: VND 25,721,779,000;
- Implementation time: from October 2018 to January 2019, the project will come into operation;
- As at 31 December 2018, the project is still running.

^[3]According to Decision No. 113/QĐ-HĐQT dated 23 July 2018 of the Board of Management, the Company conducted the Project of Investment in fixed assets at Thanh Chau Phu Yen Granite Company Limited with detailed information as follows:

- Project name: Project of Investment in fixed assets at Thanh Chau Phu Yen Granite Company Limited;
- Investment location: Thanh Chau Phu Yen Granite Company Limited;
- Total investment budget: VND 37,384,000,000;
 In which: Construction expense: VND 16,822,000,000
 Equipment expense: VND 20,562,000,000
- As at 31 December 2018, the project is still running.

16. PREPAYMENTS FROM CUSTOMERS

	31/12/2018	01/01/2018
	VND	VND
- Unique Furniture S/A	3,052,716,714	-
- Dat Phuong Company	1,521,306,744	-
- CCST Limited	1,015,423,720	-
- Analiz Naden	-	3,335,439,290
- Hau Nhan Trading Co., Lmt	-	3,190,717,552
- Others	21,786,662,436	12,701,116,685
	<u>27,376,109,614</u>	<u>19,227,273,527</u>

17. SHORT-TERM TRADE PAYABLES

Trade payables detailed by suppliers with large account balances

	31/12/2018		01/01/2018	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
- Mow Brazil Comercial Importadora E Exportadora Ltd	27,097,223,771	27,097,223,771	-	-
- Hoang Giang Co., Ltd	23,022,672,053	23,022,672,053	6,534,495,976	6,534,495,976
- Olam International	13,547,654,278	13,547,654,278	6,156,800,727	6,156,800,727
- Seacom A Chau Trading Co. Ltd - Quy Nhon Branch	12,205,738,205	12,205,738,205	-	-
- Thanh Danh Co., Ltd	10,063,905,200	10,063,905,200	5,258,222,358	5,258,222,358
- Giang Dat Thanh Manufacturing and Trading Co. Ltd	8,124,249,500	8,124,249,500	-	-
- Vu Tin International Trading Co., Ltd	7,911,462,800	7,911,462,800	17,369,829,115	17,369,829,115
- Phuoc Long Import Export Trading Co., Ltd	7,245,457,972	7,245,457,972	2,240,329,727	2,240,329,727
- Lundhs Labrador A/S	6,990,450,816	6,990,450,816	8,517,222,457	8,517,222,457
- HK Binh Thach Manufacturing and Trading Co., Ltd	5,809,387,550	5,809,387,550	3,017,853,120	3,017,853,120
- Quang Trung Engineering and Construction JSC	5,789,910,486	5,789,910,486	6,823,928,031	6,823,928,031
- Hoang Tam Co., Ltd	4,768,059,714	4,768,059,714	2,872,017,255	2,872,017,255
- Kim Hung Thinh Consultant Design Building Construction Co., Ltd	348,278,088	348,278,088	7,617,320,969	7,617,320,969
- Mr. Huynh Ba Thang	-	-	7,650,000,000	7,650,000,000
- ECO Company	-	-	6,048,735,000	6,048,735,000
- Others	194,265,890,592	194,265,890,592	154,492,395,221	154,492,395,221
	327,190,341,025	327,190,341,025	234,599,149,956	234,599,149,956

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18. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Tax receivable at the beginning of year	Tax payable at the beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable at the end of year	Tax payable at the end of year
	VND	VND	VND	VND	VND	VND
Value-added tax	320,738,660	5,023,688,904	125,669,563,001	124,130,549,563	621,969,963	6,863,933,645
Export, import duties	-	-	6,442,842,591	6,448,970,195	6,127,604	-
Corporate income tax	99,149,314	15,598,856,445	76,037,274,361	59,975,480,985	-	31,561,500,507
Personal income tax	-	375,471,739	4,208,560,246	3,966,752,888	-	617,279,097
Natural resource tax	-	1,897,783,552	23,181,343,743	23,606,675,816	-	1,472,451,479
Land tax and land rental	-	-	4,200,502,548	4,128,808,748	-	71,693,800
Other taxes	-	408,797,462	3,506,458,110	2,570,386,957	-	1,344,868,615
Fees, charges and other payables	-	2,312,512,026	19,063,514,502	14,457,347,715	-	6,918,678,813
	<u>419,887,974</u>	<u>25,617,110,128</u>	<u>262,310,059,102</u>	<u>239,284,972,867</u>	<u>628,097,567</u>	<u>48,850,405,956</u>

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

19. SHORT-TERM ACCRUED EXPENSES

	31/12/2018	01/01/2018
	VND	VND
- Accrued land rental	2,322,621,750	705,600,000
- Accrued interest expenses	378,933,513	279,657,427
- Accrued electricity expenses	1,255,604,609	680,880,896
- Accrued commission expenses	1,236,907,396	6,104,309,924
- Accrued transportation expenses	816,356,648	377,629,916
- Accrued design and material expenses	778,492,719	1,142,932,101
- Accrued expenses of import and export processing	17,285,845	314,369,238
- Temporarily uninvoiced goods awaiting for settlement	437,460,000	1,243,252,000
- Accrued expenses of Dien Tan factory building	-	5,276,685,868
- Others	1,921,918,327	1,821,072,090
	9,165,580,807	17,946,389,460

20. SHORT-TERM UNEARNED REVENUES

	31/12/2018	01/01/2018
	VND	VND
- Revenues from Office for lease	152,636,363	190,206,817
	152,636,363	190,206,817

21. OTHER PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
Trade union fee	2,475,736,996	3,095,971,514
Social insurance	97,337,085	46,595,895
Health insurance	36,681,924	13,067,691
Unemployment insurance	6,994,894	6,856,400
Other payables	15,207,878,524	12,983,702,285
- Interest of Vinacam Joint Stock Company ^[1]	6,505,163,960	7,328,455,998
- Land rent must be paid to the Finance Department - Ministry of Defense	3,261,352,600	-
- Interest of personal loans	-	36,300,000
- Payables to Military zone No. 05	122,000,000	122,000,000
- Donation funds	556,395,144	562,645,885
- Labour Union, Communist membership fee	119,647,098	33,775,629
- Allowances payable to employees	1,550,093,050	425,944,693
- Dividends payable to Owners	76,095,000	64,170,000
- Advances payable to employees	693,518,667	604,936,978
- Labor protection payables	158,315,250	165,200,775
- Insurance compensation	-	827,955,470
- Mr. Nguyen Quoc Trieu	1,892,914,000	1,530,000,000
- Others	272,383,755	1,282,316,857
	17,824,629,423	16,146,193,785
b) Long-term		
Long-term deposits, collateral received	4,248,039,330	555,526,534
	4,248,039,330	555,526,534

^[1] This is the interest payable on loan of Vina G7 Joint Stock Company from Vinacam JSC till the end of January 2016 and interest shall not be calculated after this date. During the period, Vina G7 Joint Stock Company has paid all principal amount of VND 9.5 billion (See Note 22). Vina G7 Joint Stock Company will continue to work with Vinacam JSC on payment of this interest in the future.

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22. BORROWINGS

	01/01/2018		During the year		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Short-term borrowings	945,262,034,752	945,262,034,752	2,960,046,850,515	2,792,930,773,602	1,112,378,111,665	1,112,378,111,665
Current portion of long-term borrowings	30,710,400,000	30,710,400,000	12,702,350,000	24,510,400,000	18,902,350,000	18,902,350,000
	<u>975,972,434,752</u>	<u>975,972,434,752</u>	<u>2,972,749,200,515</u>	<u>2,817,441,173,602</u>	<u>1,131,280,461,665</u>	<u>1,131,280,461,665</u>
b) Long-term borrowings						
Long-term borrowings	132,916,956,023	132,916,956,023	5,852,250,000	45,843,173,463	92,926,032,560	92,926,032,560
	<u>132,916,956,023</u>	<u>132,916,956,023</u>	<u>5,852,250,000</u>	<u>45,843,173,463</u>	<u>92,926,032,560</u>	<u>92,926,032,560</u>
Amount due for settlement within 12 months	(30,710,400,000)	(30,710,400,000)	(12,702,350,000)	(24,510,400,000)	(18,902,350,000)	(18,902,350,000)
Amount due for settlement after 12 months	<u>102,206,556,023</u>	<u>102,206,556,023</u>			<u>74,023,682,560</u>	<u>74,023,682,560</u>

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Detailed information on short-term borrowings

Detailed information on short-term borrowings from banks and other credit institutions is as follows:

	Currency	Interest rate/ year	Loan guarantee	31/12/2018		01/01/2018	
				Original currency	VND	Original currency	VND
Short-term loans							
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	Collateral asset (*)		1,112,378,111,665		945,262,034,752
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	Collateral asset (*)		319,099,599,326		190,578,214,193
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	Collateral asset (*)	5,298,692.20	123,168,100,189	1,765,032.85	40,207,448,323
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	USD	Floating rate	Collateral asset (*)	361,757.85	8,412,678,802	5,723,557.03	130,125,069,077
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	USD	Floating rate	Collateral asset (*)	3,234,273.53	75,180,688,205	1,393,027.04	31,670,469,754
- Military Commercial Joint Stock Bank - Binh Dinh Branch	VND	Floating rate	Collateral asset (*)		96,107,845,831		118,228,346,227
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	VND	Floating rate	Collateral asset (*)		13,189,942,312		19,840,000,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	USD	Floating rate	Collateral asset (*)	2,440,404.86	56,727,210,971	1,783,629.86	40,550,824,867
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Tai Industrial Zone Branch	VND	Floating rate	Collateral asset (*)		24,250,000,000		4,361,960,000
- Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch	USD	4,5%/year	Collateral asset (*)	1,280,000.00	29,760,000,000	-	-
- Ho Chi Minh City Development Joint Stock Commercial Bank - Binh Dinh Branch	USD	Floating rate	Collateral asset (*)	-	-	1,149,234.17	26,133,585,026
- Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch	VND	Floating rate	Collateral asset (*)		-		11,536,684,236
- Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch	USD	Floating rate	Collateral asset (*)	-	-	1,754,977.00	39,934,501,635
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch	VND	Floating rate	Collateral asset (*)		14,986,572,050		9,996,700,607

	Currency	Interest rate/ year	Loan guarantee	31/12/2018		01/01/2018	
				Original currency	VND	Original currency	VND
- The Viet Nam Bank for Agriculture Rural Development - Tam Phuoc Dong Nai Branch	VND	Floating rate	Collateral asset (*)		-		5,426,571,505
- The Viet Nam Bank for Agriculture Rural Development - Tam Phuoc Dong Nai Branch	USD	Floating rate	Collateral asset (*)	3,176,831.29	73,826,382,348	2,161,080.77	49,140,815,629
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	Collateral asset (*)	1,167,602.00	27,170,098,540	1,214,359.00	27,638,810,840
- The Viet Nam Bank for Agriculture Rural Development - No. 9 Branch	VND	Floating rate	Collateral asset (*)		-		4,382,579,914
- Short-term Personal loans	VND	Specified in each loan agreement	Unsecured loan		7,176,842,000		11,657,292,000
					1,112,378,111,665		945,262,034,752

Detailed information on long-term borrowings

Terms and conditions of long-term borrowings are as follows:

	Currency	Interest rate/ year	Year of maturity	31/12/2018		01/01/2018	
				Loan guarantee	VND	Loan guarantee	VND
Long-term borrowings							
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	2020	Collateral asset (*)	-		19,800,960,963
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	2023	Collateral asset (*)	86,990,395,060		99,990,395,060
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch	VND	Floating rate	2019	Collateral asset (*)	5,703,037,500		3,393,000,000
- Vinacam Joint Stock Company	VND		2018	Unsecured loan	-		9,500,000,000
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Yen Branch	VND	Floating rate			232,600,000		232,600,000
Amount due for settlement within 12 months					92,926,032,560 (18,902,350,000)		132,916,956,023 (30,710,400,000)
Amount due for settlement after 12 months					74,023,682,560		102,206,556,023

(*) Collateral asset: The loans are secured by assets under mortgage contracts which were fully registered as secured transactions.

23. PROVISIONS FOR PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
- Cost of mineral mining right ^[1]	4,647,971,217	11,352,515,543
	<u><u>4,647,971,217</u></u>	<u><u>11,352,515,543</u></u>
b) Long-term		
- Cost of environmental restoration ^[2]	4,497,695,292	2,325,863,542
	<u><u>4,497,695,292</u></u>	<u><u>2,325,863,542</u></u>

^[1] Regarding the cost of Mineral mining rights of stone mines in Binh Dinh, there is no notification from Binh Dinh Department of Tax so the Company has temporarily recognized it as accrued expenses in accordance with the regulations of the Decree No. 203/2013/ND-CP dated 28 November 2013 of the Government and the document No. 1014/DCKS - KTDCKS dated 09 July 2014 of the General Department of Geology and Minerals of Vietnam.

^[2] The cost of environmental restoration is recorded annually and determined by dividing the total estimated costs of environmental restoration under the mining permit by the exploitation duration under the permit.

24. OWNERS' EQUITY

a) Changes in owners' equity

	Contributed capital	Share premium	Other capital	Development and investment	Retained earnings	Non - Controlling Interest	Total
	VND	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	216,005,310,000	309,636,832	285,066,457,930	2,717,251,970	260,526,941,961	31,636,238,901	796,261,837,594
Profit of the previous year	-	-	-	-	344,538,398,003	16,620,691,925	361,159,089,928
Dividends distributed in form of cash	-	-	-	-	(21,600,531,000)	(8,093,786,904)	(29,694,317,904)
Dividends distributed in form of share	43,196,630,000	-	4,432,000	-	(43,201,062,000)	-	-
Transfer to other capital	-	-	160,970,199,802	1,455,496,473	(162,425,696,275)	-	-
Bonus and welfare fund	-	-	-	-	(40,100,164,931)	(1,363,078,487)	(41,463,243,418)
Benefits of shareholders do not increase due to investment in	-	-	-	-	-	10,220,337,362	10,220,337,362
Other increase	-	-	-	-	738,902	-	738,902
Ending balance of previous year	259,201,940,000	309,636,832	446,041,089,732	4,172,748,443	337,738,624,660	49,020,402,797	1,096,484,442,464
Beginning balance of this year	259,201,940,000	309,636,832	446,041,089,732	4,172,748,443	337,738,624,660	49,020,402,797	1,096,484,442,464
Issuance of shares to shareholders ^[1]	51,835,540,000	129,588,850,000	-	-	-	-	181,424,390,000
Issuance of shares under the option program for employees ^[1]	12,960,000,000	32,400,000,000	-	-	-	-	45,360,000,000
Profit of the this year	-	-	-	-	384,627,414,748	15,181,358,150	399,808,772,898
Dividends distributed in the form of cash ^[2]	-	-	-	-	(32,399,748,000)	(9,611,371,948)	(42,011,119,948)
Dividends distributed in the form of share ^[2]	161,996,930,000	-	1,810,000	-	(161,998,740,000)	-	-
Transfer to other capital	-	-	120,640,550,342	-	(120,640,550,342)	-	-
Appropriate funds	-	-	-	1,093,515,450	(1,093,515,450)	-	-
Bonus and welfare fund	-	-	-	-	(18,580,714,203)	(727,306,759)	(19,308,020,962)
Consulting cost of share issuance	-	(169,500,000)	-	-	-	-	(169,500,000)
Other decrease	-	-	-	-	(485,706,656)	(208,536,047)	(694,242,703)
Ending balance of this year	485,994,410,000	162,128,986,832	566,683,450,074	5,266,263,893	387,167,064,757	53,654,546,193	1,660,894,721,749

^[1] During the year, under the Resolution No. 35/NQ-DHDCD dated 19 March 2017 of the Annual General Meeting of Shareholders in 2017 and the Resolution No. 126/NQ-DHDCD dated 11 August 2017 of the Extraordinary General Meeting of Shareholders in 2017, the Company has completed the two issuance of shares to increase the charter capital as follows:

- Offering 5,183,554 shares to existing shareholders at the offer price of VND 35,000/ share.
- Issuance of shares under the selective program to employees with total number of 1,296,000 shares at the price of 35,000 VND/ share.

^[2] During the year, the Company has completed the dividend payment in the form of cash in accordance with the Resolution No. 02/NQ-DHDCD dated 21 April 2018 of the Annual General Meeting of Shareholders in 2018 with pay-out ratio of 10%. Concurrently, the Company has completed the dividend payment in the form of share in accordance with the above Resolution with 16,199,693 distributed shares worth VND 161,996,930,000 at par value.

The company's profit distribution is as follows:

	At the Parent Company ^[1]	At the Subsidiaries ^[2]	Total
	VND	VND	VND
Appropriation to Bonus and welfare fund	16,163,364,968	2,417,349,235	18,580,714,203
Transfer to the other capital	112,705,446,398	7,935,103,944	120,640,550,342
Appropriation to Development and Investment fund	-	1,093,515,450	1,093,515,450
Dividends distributed in form of cash	32,399,748,000	-	32,399,748,000
Dividends distributed in form of shares	161,998,740,000	-	161,998,740,000

^[1] At the Parent Company: Profit in 2017 is distributed according to the Resolution No. 02/NQ-DHDCD dated 21 April 2018 of the Company's Annual General Shareholders' Meeting in 2018.

^[2] At the Subsidiaries: it is corresponding to the Parent Company's interest in subsidiaries.

b) Details of contributed capital

	31/12/2018	Rate	01/01/2018	Rate
	VND	%	VND	%
Mr Le Vy	57,624,580,000	11.86%	29,023,670,000	11.20%
Mr Le Thao	35,573,330,000	7.32%	19,292,148,000	7.44%
Mr Le Van Loc	27,986,020,000	5.76%	14,195,304,000	5.48%
Mr Nguyen Sy Hoe	24,496,980,000	5.04%	13,735,572,000	5.30%
Others	340,313,500,000	70.02%	182,955,246,000	70.58%
Total	485,994,410,000	100%	259,201,940,000	100%

c) Capital transactions with owners and distribution of dividends and profit

	Year 2018 VND	Year 2017 VND
Owners' contributed capital		
- At the beginning of the year	259,201,940,000	216,005,310,000
- Increase in the year	226,792,470,000	43,196,630,000
- At the end of the year	<u>485,994,410,000</u>	<u>259,201,940,000</u>
Distributed dividends and profits		
- Dividends, profit payable at the beginning of the year	64,170,000	17,918,000
- Dividends, profit payable in the year	194,398,488,000	64,847,845,000
+ Dividends and profits distributed from the previous year profit	194,398,488,000	64,847,845,000
- Dividends, profits paid in money	32,387,823,000	21,600,531,000
+ Dividends and profits distributed from the previous year profit	32,387,823,000	21,600,531,000
- Dividends, profits paid in stock	161,998,740,000	43,201,062,000
+ Dividends and profits distributed from the previous year profit	161,998,740,000	43,201,062,000
- Ending balance of the year	<u>76,095,000</u>	<u>64,170,000</u>

d) Shares

	31/12/2018	01/01/2018
Quantity of Authorized issuing shares	48,599,441	25,920,194
Quantity of issued shares and fully contributed	48,599,441	25,920,194
- Common shares	48,599,441	25,920,194
Quantity of outstanding shares in circulation	48,599,441	25,920,194
- Common shares	48,599,441	25,920,194

Par value per share: VND 10,000

e) Funds of the company

	31/12/2018 VND	01/01/2018 VND
- Development and investment funds	5,266,263,893	4,172,748,443
- Other capital	566,683,450,074	446,041,089,732
	<u>571,949,713,967</u>	<u>450,213,838,175</u>

25. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

The Company and its subsidiaries signed land leasing contracts with the State for the purpose of serving the production and business activities in the localities where the Company and its subsidiaries have production and business establishments. Under such contracts, the Company and its subsidiaries have to pay leasing cost annually until contract expiry date complying with the current legal regulations of the State.

b) Foreign currencies

	31/12/2018	01/01/2018
USD	573,352.39	286,988.27
EUR	1,052.25	165.13

c) Doubtful debts written-offs

	31/12/2018	01/01/2018
	VND	VND
	2,387,287,401	2,387,287,401

26. TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2018	Year 2017
	VND	VND
Revenue from sale of goods	4,583,328,419,590	3,851,361,832,713
- Wood products	1,840,781,019,722	1,245,989,098,929
- Toyota Car	1,408,565,578,480	1,348,904,259,595
- Stone products	1,323,294,262,909	1,232,647,377,973
- Others	10,687,558,479	23,821,096,216
Revenue from rendering of services	135,736,611,431	119,965,822,417
- Car repair service	133,652,489,202	117,388,559,008
- Office and factory for lease service	2,084,122,229	2,577,263,409
	4,719,065,031,021	3,971,327,655,130

27. COST OF GOODS SOLD

	Year 2018	Year 2017
	VND	VND
Cost of goods sold	3,768,726,514,078	3,181,416,331,136
- Wood products	1,547,694,497,395	1,015,383,552,379
- Toyota Car	1,351,992,046,235	1,314,401,512,274
- Stone products	866,628,491,807	834,501,253,282
- Others	2,411,478,641	17,130,013,201
Cost of services rendered	107,342,877,624	92,845,788,980
- Car repair service	107,195,291,024	91,731,792,437
- Office and factory for lease service	147,586,600	1,113,996,543
Provision for devaluation of inventories	(26,373,000)	26,373,000
	3,876,043,018,702	3,274,288,493,116

28. FINANCIAL INCOME

	Year 2018	Year 2017
	VND	VND
Interest income	10,229,104,907	4,876,624,810
Gain from disposal of financial investments	7,844,265,500	508,060,000
Dividends or profits received	725,700,000	782,602,500
Realised exchange gain	4,016,223,859	3,323,370,943
Unrealised exchange gain	1,966,652,408	257,036,005
Interest from deferred payment sale or payment discounts	2,183,918,313	2,228,084,998
	26,965,864,987	11,975,779,256

29. FINANCIAL EXPENSES

	Year 2018	Year 2017
	VND	VND
Interest expenses	57,210,326,024	32,981,179,043
Payment discount, interest on deferred payment	-	290,560,000
Realised exchange losses	9,342,126,755	3,221,177,022
Unrealised exchange losses	218,525,854	139,663,542
Others	38,820,848	3,587,073
	66,809,799,481	36,636,166,680

30. SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	50,244,013,919	70,992,237,860
Labour expenses	12,599,357,477	5,498,164,046
Tools and supplies	125,710,273	240,936,788
Depreciation expenses	2,219,116,312	2,063,679,196
Tax, Charge, Fee	22,350,742,779	12,243,868,851
Expenses of outsourcing services	83,758,796,587	82,134,319,453
Other expenses in cash	6,107,304,443	5,151,606,084
	177,405,041,790	178,324,812,278

31. GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	191,104,547	464,372,080
Labour expenses	91,613,801,479	41,959,227,227
Tools and supplies	6,178,724,861	3,110,138,942
Depreciation expenses	10,921,383,872	9,812,128,494
Tax, Charge, Fee	6,667,709,885	4,415,043,832
Provision expenses	(1,106,304,845)	1,250,009,522
Expenses of outsourcing services	19,429,896,095	18,761,856,821
Other expenses in cash	21,560,001,002	17,216,193,859
Goodwill	2,015,101,921	1,474,974,613
	157,471,418,817	98,463,945,390

32. OTHER INCOME

	Year 2018	Year 2017
	VND	VND
Gain from liquidating, disposing fixed assets	4,062,906,801	6,170,453,090
Gain from Toyota car sale promotion ^[1]	4,661,533,818	10,534,064,793
Gain from wood sale promotion	1,125,584,756	200,236,296
Gain from penalty	660,778,338	-
Gain from debt collection	544,693,847	15,670,382,343
Gain from other services	53,641,280	106,762,680
Gain from import duty refund	-	113,541,396
Gain from compensation	-	801,085,445
Others income	857,789,193	327,355,409
	11,966,928,033	33,923,881,452

^[1] This is the allowance or bonus that Toyota Da Nang One-member Company Limited and Toyota Binh Dinh One-member Company Limited earned from sale and consumption promotion in each period of the Toyota Viet Nam.

33. OTHER EXPENSES

	Year 2018	Year 2017
	VND	VND
Penalty due to late delivery	2,928,534,269	3,788,442,276
The value of fire and explosion assets is not compensated	961,913,064	-
Local support costs	576,515,940	-
Amounts fined, late payment interest	214,949,348	1,301,817,693
Debt settlement	12,194,158	7,460,543
Other expenses	501,664,699	166,381,701
	5,195,771,478	5,264,102,213

34. CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2018	Year 2017
	VND	VND
Phu Tai Joint Stock Company (Parent Company)	55,000,781,565	48,436,761,711
Phu Yen Construction materials Joint Stock Company (Subsidiary)	5,873,045,699	6,103,841,189
Tuan Dat Minerals Company Limited (Subsidiary)	1,220,756,209	517,978,800
Universal Stone Joint Stock Company (Subsidiary)	110,338,911	44,703,799
Toyota Binh Dinh One- member Company Limited (Subsidiary)	1,995,596,959	1,507,190,936
Toyota Da Nang One- member Company Limited (Subsidiary)	8,857,175,224	5,212,509,610
Phu Tai Dong Nai One- member Company Limited (Subsidiary)	1,280,488,561	1,600,724,749
Vina G7 Joint Stock Company (Subsidiary)	948,313,141	-
Granite Limited Company (Subsidiary)	76,318,889	669,290,364
	75,362,815,158	64,093,001,158

35. DEFERRED INCOME TAX

a) Deferred income tax assets

	31/12/2018	01/01/2018
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	795,333,320	676,485,942
Deferred income tax assets	795,333,320	676,485,942

b) Deferred income tax liabilities

	31/12/2018	01/01/2018
	VND	VND
Corporate income tax rate used to determine deferred income tax liabilities	20%	20%
Deferred income tax liabilities arising from deductible temporary difference	20,033,095	-
Deferred income tax liabilities	20,033,095	-

c) Deferred corporate income tax expense

	Year 2018	Year 2017
	VND	VND
Deferred CIT expense relating to taxable temporary difference	20,033,095	-
Deferred CIT expense relating to reversal of deferred income tax assets	-	442,190,751
Deferred CIT income arising from deductible temporary difference	(795,333,320)	(676,485,942)
Deferred CIT income arising from reversal of deferred income tax liabilities	-	(767,999,734)
Deferred CIT expense relating to reversal of deferred income tax assets	676,485,942	-
	(98,814,283)	(1,002,294,925)

36. BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	Year 2018	Year 2017 (Adjusted)
	VND	VND
Net profit after tax	384,627,414,748	344,538,398,003
Profit distributed for common shares	384,627,414,748	344,538,398,003
Average number of outstanding common shares in circulation in the year	45,851,409	42,119,887
Basic earnings per share	8,389	8,180

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

Basic earnings per share have been adjusted retrospectively as regulated by Vietnamese Accounting Standards No. 30 - Basic earnings per share.

37. DILUTED EARNINGS PER SHARE

Diluted earnings per share distributed to common shareholders of the Company are calculated as follows:

	Year 2018	Year 2017 (Adjusted)
	VND	VND
Net profit after tax	384,627,414,748	344,538,398,003
Profit distributed for common shares	384,627,414,748	344,538,398,003
Average number of outstanding common shares in circulation in the year	45,851,409	42,119,887
The number of common shares expected to be additionally issued	-	6,480,047
Diluted earnings per share	8,389	7,089

38. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2018	Year 2017
	VND	VND
Raw materials	1,399,833,146,012	999,853,143,361
Labour expenses	413,036,780,590	372,393,033,300
Tools and supplies	68,547,291,175	21,241,543,121
Depreciation expenses	166,045,218,614	133,402,037,921
Tax, Charge, Fee	45,390,464,070	53,395,739,759
Provision expenses/ Reversal of provision expenses	(1,106,304,845)	1,250,009,522
Expenses from outsourcing services	402,847,379,304	254,027,965,630
Other expenses in cash	59,290,405,543	47,174,558,867
	2,553,884,380,463	1,882,738,031,481

39. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

		Carrying amount	
		31/12/2018	01/01/2018
		Original Cost	Provision
		VND	VND
Financial Assets			
Cash and cash equivalents		67,039,272,068	-
Trade and other receivables		674,623,379,047	(11,442,474,043)
Loans		174,895,278,166	-
Short-term financial investments		450,000,000	-
		<u>917,007,929,281</u>	<u>(11,442,474,043)</u>
		<u>575,107,023,089</u>	<u>(12,548,778,888)</u>

		Carrying amount	
		31/12/2018	01/01/2018
		VND	VND
Financial Liabilities			
Borrowings and debts		1,205,304,144,225	1,078,178,990,775
Trade and other payables		349,263,009,778	251,300,870,275
Accrued expenses		9,165,580,807	17,946,389,460
		<u>1,563,732,734,810</u>	<u>1,347,426,250,510</u>

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes for financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities which are presented in relevant notes.

Financial risk management

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

Market risk

The Company's business operations will bear the risks of changes in exchange rates and interest rates.

Price Risk

The Company bears price risk of equity instruments from short-term investments in securities due to the uncertainty of future prices of the securities.

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Short term investments	450,000,000	-	-	450,000,000
Total	450,000,000	-	-	450,000,000
As at 01/01/2018				
Short term investments	12,061,200,000	-	-	12,061,200,000
Total	12,061,200,000	-	-	12,061,200,000

Exchange rate risk

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

Interest rate risk

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

Credit Risk

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

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Cash and cash equivalents	67,039,272,068	-	-	67,039,272,068
Trade and other receivables	652,460,880,003	10,720,025,001	-	663,180,905,004
Loans	174,895,278,166	-	-	174,895,278,166
	894,395,430,237	10,720,025,001	-	905,115,455,238
As at 01/01/2018				
Cash and cash equivalents	55,423,331,747	-	-	55,423,331,747
Trade and other receivables	448,562,843,944	9,273,630,348	-	457,836,474,292
Loans	37,237,238,162	-	-	37,237,238,162
	541,223,413,853	9,273,630,348	-	550,497,044,201

Liquidity Risk

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

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

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Borrowings and debts	1,131,280,461,665	74,023,682,560	-	1,205,304,144,225
Trade and other payables	345,014,970,448	4,248,039,330	-	349,263,009,778
Accrued expenses	9,165,580,807	-	-	9,165,580,807
	1,485,461,012,920	78,271,721,890	-	1,563,732,734,810
As at 01/01/2018				
Borrowings and debts	975,972,434,752	102,206,556,023	-	1,078,178,990,775
Trade and other payables	250,745,343,741	555,526,534	-	251,300,870,275
Accrued expenses	17,946,389,460	-	-	17,946,389,460
	1,244,664,167,953	102,762,082,557	-	1,347,426,250,510

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

40. ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS

a) Proceeds from borrowings during the year

	Year 2018	Year 2017
	VND	VND
Proceeds from ordinary contracts	2,966,274,547,286	2,823,261,653,978
Unrealised Exchange gain difference	(375,446,771)	-

b) Actual repayment on principal during the year

	Year 2018	Year 2017
	VND	VND
Repayment on principal from ordinary contracts	2,838,773,947,065	2,489,401,859,963

41. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

According to Decision No. 157/QD-HDQT dated 05 December 2018, the Board of Management agreed on purchasing 3,430,000 shares, equivalents to 98% of charter capital at Van Phu - Mineral Investing Joint Stock Company at the value of VND 5,700,000,000. On 11 January 2019, the Company has completed the transfer and changed the Van Phu - Mineral Investing Joint Stock Company into Phu Tai Ninh Thuan Stone Joint Stock Company.

On 12 February 2019, the Board of Management issued Resolution No. 20/NQ-HDQT about the approval of the plan to redeem issued shares as treasury shares with the following main contents: Total number of shares planned to buy for treasury shares is 1,500,000 shares; Implementation time in March and April 2019, after accepted by State Securities Committee.

On 21 February 2019, the Board of Management issued Resolution No. 25/NQ-HDQT approving the content of organizing the Annual General Meeting of Shareholders in 2019 as follows: The last registration date to conduct the right to attend the General Meeting of Shareholders in 2019 is 15 March 2019; Expected implementation time is 06 April 2019.

In addition, there have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

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42. SEGMENT REPORTING

Under business fields

	Stone business	Wood business	Real estate	Trading and Other Services	Total from all segments	Elimination	Grand Total
	VND	VND	VND	VND	VND	VND	VND
Net revenue from sales to external customers	1,323,294,262,909	1,840,781,019,722	-	1,554,989,748,390	4,719,065,031,021	-	4,719,065,031,021
- Domestic	1,012,758,612,293	599,766,233,627	-	1,554,989,748,390	3,167,514,594,310	-	3,167,514,594,310
- Export	310,535,650,616	1,241,014,786,095	-	-	1,551,550,436,711	-	1,551,550,436,711
Cost of goods sold	866,628,491,807	1,547,694,497,395	-	1,461,720,029,500	3,876,043,018,702	-	3,876,043,018,702
Net profit from business activities	456,665,771,102	293,086,522,327	-	93,269,718,890	843,022,012,319	-	843,022,012,319
Total cost of acquisition of fixed assets	162,263,687,420	119,979,260,021	-	4,121,075,910	286,364,023,351	-	286,364,023,351
Segment assets	1,441,353,309,925	3,077,858,952,005	90,191,030,104	198,626,838,379	4,808,030,130,413	(1,413,783,532,242)	3,394,246,598,171
Assets not allocated	-	-	-	-	4,995,333,320	-	4,995,333,320
Total assets	1,441,353,309,925	3,077,858,952,005	90,191,030,104	198,626,838,379	4,813,025,463,733	(1,413,783,532,242)	3,399,241,931,491
Segment liabilities	883,648,109,716	2,188,819,777,856	243,364,791	94,488,841,890	3,167,200,094,253	(1,428,872,917,606)	1,738,327,176,647
Liabilities are not allocated	-	-	-	-	20,033,095	-	20,033,095
Total liabilities	883,648,109,716	2,188,819,777,856	243,364,791	94,488,841,890	3,167,220,127,348	(1,428,872,917,606)	1,738,347,209,742

Phu Tai Joint Stock Company

No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2018

Under geographical areas	Phu Yen	Binh Dinh	Dong Nai	Ho Chi Minh City	Da Nang	Exclusion	Grand Total
	VND	VND	VND	VND	VND	VND	VND
Net revenue from sales to external customers	94,326,403,821	2,735,784,761,003	455,409,080,661	207,971,212,295	1,225,573,573,241	-	4,719,065,031,021
- Domestic	94,326,403,821	1,600,793,442,681	41,520,589,027	205,300,585,540	1,225,573,573,241	-	3,167,514,594,310
- Export	-	1,134,991,318,322	413,888,491,634	2,670,626,755	-	-	1,551,550,436,711
Total cost of acquisition of fixed assets	20,630,355,265	217,345,800,183	38,902,514,455	6,824,467,993	2,660,885,455	-	286,364,023,351
Segment assets	104,647,039,534	3,883,098,878,870	363,036,054,189	304,918,743,676	152,329,414,144	(1,413,783,532,242)	3,394,246,598,171
Assets not allocated	-	-	-	-	-	-	4,995,333,320
Total assets	104,647,039,534	3,883,098,878,870	363,036,054,189	304,918,743,676	152,329,414,144	(1,413,783,532,242)	3,399,241,931,491
Segment liabilities	30,753,560,345	2,556,722,826,736	251,282,493,580	253,020,057,304	75,421,156,288	(1,428,872,917,606)	1,738,327,176,647
Liabilities are not allocated	-	-	-	-	-	-	20,033,095
Total liabilities	30,753,560,345	2,556,722,826,736	251,282,493,580	253,020,057,304	75,421,156,288	(1,428,872,917,606)	1,738,347,209,742

The above geographical areas are determined based on the decentralization of management of enterprises and branches (dependent accounting units) of the Company.

43. TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Transactions during the year:

	Relation	Year 2018 VND	Year 2017 VND
Loans			
Nguyen Thi Kiem Oanh	Stakeholder	8,370,000,000	-

Outstanding balances up to the reporting date are as follows:

	Relation	31/12/2018 VND	01/01/2018 VND
Short-term loan receivable			
Nguyen Thi Kiem Oanh	Stakeholder	8,370,000,000	-

44. COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 December 2017, which was audited by AASC Auditing Firm.

Those figures were reclassified in order to compare with figures of this year:

	Code	Reclassified VND	Presented in the financial statements of previous year VND
Consolidated statement of income			
- Basic earnings per share	36	8,180	13,292
- Diluted earnings per share	37	7,089	10,634

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 20 March 2019

General Director



LE VAN THAO