

CONSOLIDATED FINANCIAL STATEMENTS

PHU TAI JOINT STOCK COMPANY

For the fiscal year ended as at 31 December 2019

(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 2019.

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
Mr. Tran Huu Duc	Member

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
Mr. Truong Cong Hoang	Member
Mrs. Dang Thi Tu Oanh	Member
Mr. Phan Minh Duong	Member

(Appointed on 01 August 2019)

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, 25 March 2020

**On behalf of the Board of General Directors
General Director**



LE VAN THAO

No.: 250320.008/BCTC.KT5

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 25 March 2020, as set out on pages 06 to 58, including: Consolidated Statement of Financial position as at 31 December 2019, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to Consolidated Financial Statements for the fiscal year ended as at 31 December 2019.

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 2019, 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

Đo Thị Ngọc Dung

Deputy General Director

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

Hanoi, 25 March 2020

Nguyen Duy Quang

Auditor

Registered Auditor No.: 3363-2020-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Code	ASSETS	Note	<u>31/12/2019</u>	<u>01/01/2019</u>
			VND	VND
100	A. CURRENT ASSETS		2,440,614,443,129	2,096,124,844,587
110	I. Cash and cash equivalents	4	126,518,814,646	67,039,272,068
111	1. Cash		126,518,814,646	67,039,272,068
120	II. Short-term investments	5	50,450,000,000	157,549,278,166
121	1. Trading securities		450,000,000	450,000,000
123	2. Held- to- maturiry investments		50,000,000,000	157,099,278,166
130	III. Short-term receivables		739,104,591,208	730,963,177,284
131	1. Short-term trade receivables	6	690,232,957,345	639,141,601,009
132	2. Short-term prepayments to suppliers	7	40,765,431,102	62,027,125,553
135	3. Short-term loan receivable		-	17,796,011,000
136	4. Other short-term receivables	8	20,175,936,095	24,761,742,037
137	5. Provision for short-term doubtful debts		(12,069,733,334)	(13,062,805,516)
139	6. Shortage of assets awaiting resolution		-	299,503,201
140	IV. Inventories	10	1,321,758,658,038	1,020,171,869,415
141	1. Inventories		1,321,758,658,038	1,020,171,869,415
150	V. Other short-term assets		202,782,379,237	120,401,247,654
151	1. Short-term prepaid expenses	11	35,089,817,187	36,591,535,025
152	2. Deductible VAT		167,620,868,250	83,181,615,062
153	3. Taxes and other receivables from State budget	18	71,693,800	628,097,567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

Code ASSETS	Note	31/12/2019 VND	01/01/2019 VND
200 B. NON-CURRENT ASSETS		1,888,079,925,968	1,303,117,086,904
210 I. Long-term receivables		18,976,312,322	10,720,025,001
216 1. Other long-term receivables	8	18,976,312,322	10,720,025,001
220 II. Fixed assets		1,479,731,335,890	1,081,386,306,624
221 1. Tangible fixed assets	14	1,449,957,969,640	1,051,398,781,196
222 - Historical cost		2,452,786,879,379	1,879,578,246,956
223 - Accumulated depreciation		(1,002,828,909,739)	(828,179,465,760)
227 2. Intangible fixed assets	15	29,773,366,250	29,987,525,428
228 - Historical cost		49,104,846,868	46,457,516,253
229 - Accumulated depreciation		(19,331,480,618)	(16,469,990,825)
240 III. Long-term assets in progress		158,109,175,503	93,459,510,317
242 1. Construction in progress	16	158,109,175,503	93,459,510,317
250 IV. Long-term financial investments	5	4,800,000,000	4,200,000,000
253 1. Investments in equity of other entities		4,800,000,000	4,200,000,000
260 V. Other long-term assets		226,463,102,253	113,351,244,962
261 1. Long-term prepaid expenses	11	200,818,462,078	96,998,583,851
262 2. Deferred income tax assets	37	900,087,827	795,333,320
269 3. Goodwill	12	24,744,552,348	15,557,327,791
270 TOTAL ASSETS		4,328,694,369,097	3,399,241,931,491

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

Code	CAPITAL	Note	31/12/2019 VND	01/01/2019 VND
300	C. LIABILITIES		2,483,177,333,340	1,740,055,844,512
310	I. Current liabilities		2,203,416,165,574	1,657,266,394,235
311	1. Short-term trade payables	17	444,108,623,443	327,190,341,025
312	2. Short-term prepayments from customers	13	28,408,044,984	27,376,109,614
313	3. Taxes and other payables to State budget	18	87,055,534,055	48,850,405,956
314	4. Payables to employees		52,489,253,713	54,486,320,054
315	5. Short-term accrued expenses	19	15,114,131,685	9,165,580,807
318	6. Short-term unearned revenue	20	207,000,000	152,636,363
319	7. Other short-term payables	21	17,160,897,244	17,824,629,423
320	8. Short-term borrowings and finance lease liabilities	22	1,519,416,149,287	1,131,280,461,665
321	9. Provisions for short-term payables	23	4,405,733,967	4,647,971,217
322	10. Bonus and welfare fund		35,050,797,196	36,291,938,111
330	II. Non-current liabilities		279,761,167,766	82,789,450,277
337	1. Other long-term payables	21	4,238,083,329	4,248,039,330
338	2. Long-term borrowings and finance lease liabilities	22	270,502,850,317	74,023,682,560
341	3. Deferred income tax liabilities	37	387,294,247	20,033,095
342	4. Provisions for long-term payables	23	4,632,939,873	4,497,695,292
400	D. OWNER'S EQUITY		1,845,517,035,757	1,659,186,086,979
410	I. Owner's equity	24	1,845,517,035,757	1,659,186,086,979
411	1. Contributed capital		485,994,410,000	485,994,410,000
411a	Ordinary shares with voting rights		485,994,410,000	485,994,410,000
412	2. Share Premium		162,128,986,832	162,128,986,832
414	3. Other capital		767,393,543,292	566,683,450,074
415	4. Treasury shares		(82,808,934,273)	-
418	5. Development and investment funds		6,068,006,808	5,266,263,893
421	6. Retained earnings		445,727,592,563	385,458,429,987
421a	Retained earnings accumulated till the end of the previous year		10,351,840,856	831,015,239
421b	Retained earnings of the current year		435,375,751,707	384,627,414,748
429	7. Non - Controlling Interest		61,013,430,535	53,654,546,193
440	TOTAL CAPITAL		4,328,694,369,097	3,399,241,931,491

Preparer

Vo Phuong Thao

Chief Accountant

Nguyen Thi My Loan

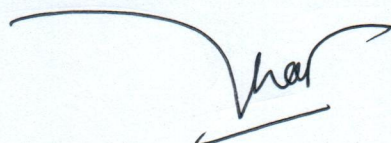


CONSOLIDATED STATEMENT OF INCOME

Year 2019

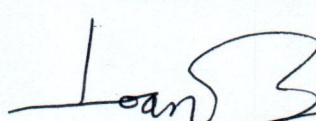
Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
01	1. Revenues from sales of goods and rendering of services	26	5,549,170,322,998	4,719,065,031,021
02	2. Revenue deductions	27	32,967,894	-
10	3. Net revenues from sales of goods and rendering of services	28	5,549,137,355,104	4,719,065,031,021
11	4. Cost of goods sold	29	4,517,926,967,318	3,876,043,018,702
20	5. Gross profit from sales of goods and rendering of services		1,031,210,387,786	843,022,012,319
21	6. Financial income	30	16,310,654,727	26,965,864,987
22	7. Financial expense	31	96,546,972,037	66,809,799,481
23	<i>In which : Interest expense</i>		92,311,437,775	57,210,326,024
25	8. Selling expense	32	223,622,983,369	177,405,041,790
26	9. General and administrative expense	33	185,443,262,020	157,471,418,817
30	10. Net profit from operating activities		541,907,825,087	468,301,617,218
31	11. Other income	34	11,990,814,263	11,966,928,033
32	12. Other expense	35	3,863,178,858	5,195,771,478
40	13. Other profit		8,127,635,405	6,771,156,555
50	14. Total net profit before tax		550,035,460,492	475,072,773,773
51	15. Current corporate income tax expense	36	92,969,984,325	75,362,815,158
52	16. Deferred corporate income tax expense	37	262,506,647	(98,814,283)
60	17. Profit after corporate income tax		<u>456,802,969,520</u>	<u>399,808,772,898</u>
61	18. Profit after corporate income tax of holding company		435,375,751,707	384,627,414,748
62	19. Profit after corporate income tax of the non-controlling shareholders		21,427,217,813	15,181,358,150
70	20. Basic earnings per share	38	9,109	8,389

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan



Binh Dinh, 25 March 2020

General Director

LE VAN THAO

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2019
(Indirect method)

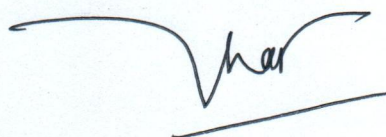
Code	ITEMS	Note	Year 2019	Year 2018
			VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		550,035,460,492	475,072,773,773
	2. Adjustment for:		267,898,818,910	203,893,160,419
02	- Depreciation of fixed assets and amortization		190,925,459,553	169,524,717,105
03	- Provisions		(1,100,064,851)	(5,665,390,421)
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currencies		(1,154,754,778)	(2,158,780,581)
05	- Gains / losses from investment		(13,083,258,789)	(15,017,711,708)
06	- Interest expense		92,311,437,775	57,210,326,024
08	3. Operating profit before changes in working capital		817,934,279,402	678,965,934,192
09	- Increase or decrease in receivables		(121,073,241,743)	(227,590,547,937)
10	- Increase or decrease in inventories		(299,194,029,828)	(299,635,410,139)
11	- Increase or decrease in payables (excluding interest payable, corporate income tax payable)		103,199,160,926	125,732,762,240
12	- Increase or decrease in prepaid expenses		(103,128,063,898)	(31,996,381,730)
13	- Increase or decrease in trading securities		-	11,611,200,000
14	- Interest paid		(91,975,750,855)	(56,451,452,476)
15	- Corporate income tax paid		(59,080,607,908)	(59,975,480,985)
16	- Other receipts from operating activities		665,950,623	-
17	- Other payments on operating activities		(24,056,273,687)	(28,844,884,708)
20	Net cash flow from operating activities		223,291,423,032	111,815,738,457
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(612,788,961,065)	(286,236,684,532)
22	2. Proceeds from disposals of fixed assets and other long-term assets		19,350,403,092	6,088,697,325
23	3. Loans and purchase of debt instruments from other entities		(951,862,141)	(137,658,051,004)
24	4. Collection of loans and resale of debt instrument of other entities		125,847,151,307	-
25	5. Equity investments in other entities		(41,624,851,856)	(4,200,000,000)
26	6. Proceeds from equity investment in other		-	10,000,000
27	7. Interest and dividend received		9,346,413,926	10,055,391,573
30	Net cash flow from investing activities		(500,821,706,737)	(411,940,646,638)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2019
(Indirect method)
(Continued)

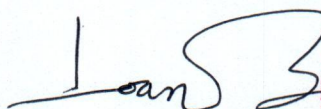
Code	ITEMS	Note	Year 2019	Year 2018
			VND	VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Proceeds from issuance of shares and receipt of contributed capital		-	226,614,890,000
32	2. Repayment of capital contributions and repurchase of stock issued		(82,808,934,273)	-
33	3. Proceeds from borrowings		4,559,949,317,408	2,965,899,100,515
34	4. Repayment of principal		(3,975,185,340,930)	(2,838,773,947,065)
36	5. Dividends or profits paid to owners		(165,014,889,400)	(41,999,194,948)
40	<i>Net cash flow from financing activities</i>		<i>336,940,152,805</i>	<i>311,740,848,502</i>
50	Net cash flows in the year		59,409,869,100	11,615,940,321
60	Cash and cash equivalents at the beginning of		67,039,272,068	55,423,331,747
61	Effect of exchange rate fluctuations		69,673,478	-
70	Cash and cash equivalents at the end of the year	4	126,518,814,646	67,039,272,068

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 25 March 2020

General Director



LE VAN THAO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year 2019

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 2019 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
- Universal Stone Joint Stock Company	Ho Chi Minh City	60%	60%	Manufacturing and trading stone products
- Vina G7 Joint Stock Company	Bien Hoa - Dong Nai	75%	75%	Manufacturing and trading wood 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	Quy Nhon - Binh Dinh	100%	100%	Trading real estate
- Thanh Chau Phu Yen Granite Company Limited	Dong Xuan -Phu Yen	100%	100%	Exploiting and processing stone
- Son Phat Production and Trading Company Limited ⁽ⁱ⁾	Van Ninh - Khanh Hoa	99%	99%	Exploiting and processing stone
- Phu Tai Ninh Thuan Stone Joint Stock Company ⁽ⁱ⁾	Phan Rang City - Thap Cham - Ninh Thuan	98%	98%	Manufacturing and processing stone
- Phu Tai Quartz Stone One Member Company Limited ⁽ⁱⁱ⁾	Nhon Trach - Dong Nai	100%	100%	Manufacturing and processing stone

(i) These are subsidiaries acquired by the Company according to a Decision of the Board of Directors (Details in Note 3).

(ii) According to Decision No. 70/QD-HDQT dated May 20, 2019 of the Board of Management, Phu Tai Joint Stock Company completed the procedures to establish Phu Tai Quartz Stone One Member Company Limited with charter capital of VND 100,000,000,000. By December 31, 2019, the Company has fully contributed capital as committed.

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.

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

2.7. 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 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.

Method for valuation of work in process at the end of the year:

- The value of work in progress is recorded based on actual cost incurred for each unfinished product.
- The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the 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

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. Operating lease

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

2.14. 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.

2.15. 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.

2.16. 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.

2.17. 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.

2.18. 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.

2.19. 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.

2.20. 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.

2.21. 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.

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.

2.22. 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.

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.

2.23. Revenue deductions

Revenue deductions from sales and service provisions arising in the year include: Sales returns.

Sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Separate Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Separate Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

2.24. 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.

2.25. Financial expenses

Items recorded into financial expenses consist of:

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

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

2.26. 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; and 2018 was the first year when Wood Processing Factory is exempt from corporate income tax.

d) Current corporate income tax rate

For the fiscal year ended on December 31, 2019, the Company is entitled to the following CIT rates:

- Exemption of corporate income tax from the Wood Processing Factory in Binh Dinh Province;
- Tax rate of 10% for production and business activities at stone processing factory in Dong Nai, Binh Dinh and Hung Yen.
- 20% tax rate for the remaining activities.

2.27. 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.

2.28. Related Parties

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

2.29. 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. BUSINESS COMBINATION AND TRANSFERRING SECURITIES

On March 31, 2019, Phu Tai Joint Stock Company acquired 99% of shares of Son Phat Production and Trading Co., Ltd, a Company established under the Vietnam Enterprise Law and operates under the Business Registration Certificate No. 4200741669 issued by Khanh Hoa Department of Planning and Investment for the first time on March 18, 2008, amended for the 6th time on May 17, 2019. The principal activities of the Company are stone production and processing.

Fair value of identifiable assets and liabilities of Son Phat Production and Trading Company Limited at the combination date, and goodwill incurred from business combination are as follows:

Items	Book value at the date of obtaining control	Adjustment according to fair value	Fair value at the date of obtaining control
	VND	VND	VND
Assets			
Cash and cash equivalents	133,230,873	-	133,230,873
Inventories	2,234,649,416	-	2,234,649,416
Short-term prepaid expenses	1,078,747,682	-	1,078,747,682
Deductible VAT	441,579,399	-	441,579,399
Taxes and other receivables from State budget	3,564,154	-	3,564,154
Other long-term receivables	176,796,000	-	176,796,000
Tangible fixed assets (net)	22,340,794,264	-	22,340,794,264
Intangible fixed assets (net)	2,647,330,615	-	2,647,330,615
Long-term prepaid expenses	4,830,500	-	4,830,500
Total Assets	29,061,522,903	-	29,061,522,903
Liabilities			
Current liabilities	-	-	-
Total liabilities	-	-	-
Total net assets	29,061,522,903		29,061,522,903
Non-controlling Interest			290,615,229
Total net assets equivalent to Group's interest (99%)			28,770,907,674
Total cost of this investment			39,600,000,000
Goodwill incurred from business combination (Note 12)			10,829,092,326

On December 31, 2018, Phu Tai Joint Stock Company acquired 98% of shares of Phu Tai Ninh Thuan Stone Joint Stock Company (previously known as Van Phu - Mineral Investment Joint Stock Company), a Joint Stock Company established under the Vietnam Enterprise Law and operates under the Business Registration Certificate No. 0103008804 by Ha Noi Authority for Planning and Investment for the first time on January 07, 2008, the 10th amendment on January 11, 2019 issued by the Department of Planning and Investment of Ninh Thuan Province. The principal activities of the Company are stone production and processing.

Fair value of identifiable assets and liabilities of Phu Tai Ninh Thuan Stone Joint Stock Company at the combination date, and goodwill incurred from business combination are as follows:

Items	Book value at the date of obtaining control	Adjustment according to fair value	Fair value at the date of obtaining control
	VND	VND	VND
Assets			
Cash and cash equivalents	3,319,917,271	-	3,319,917,271
Inventories	158,109,379	-	158,109,379
Deductible VAT	20,963,847	-	20,963,847
Equity investments in other entities	600,000,000	-	600,000,000
Total Assets	4,098,990,497	-	4,098,990,497
Liabilities			
Current liabilities	34,011,776	-	34,011,776
Total liabilities	34,011,776	-	34,011,776
Total net assets	4,064,978,721		4,064,978,721
Non-controlling Interest			81,299,574
Total net assets equivalent to Group's interest (98%)			3,983,679,147
Total cost of this investment			5,000,000,000
Goodwill incurred from business combination (Note 12)			1,016,320,853

4. CASH

	31/12/2019	01/01/2019
	VND	VND
Cash on hand	8,613,179,523	10,850,847,601
Demand deposits	117,905,635,123	56,188,424,467
	126,518,814,646	67,039,272,068

5. SHORT TERM FINANCIAL INVESTMENTS

a) Held-to-maturity investments

	31/12/2019		01/01/2019	
	Original cost	Carrying amount	Original cost	Carrying amount
	VND	VND	VND	VND
Short-term investments				
- Term-deposits ⁽ⁱ⁾	50,000,000,000	-	157,099,278,166	-
	50,000,000,000	-	157,099,278,166	-

⁽ⁱ⁾ As at 31 December 2019, the Company has 6-month term deposits with the total amount VND 50,000,000,000 at Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch at the interest rate of 8% per year.

b) Trading securities

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Investment in stock				
- MB Property Joint Stock Company ⁽ⁱ⁾	450,000,000	-	450,000,000	-
	450,000,000	-	450,000,000	-

⁽ⁱ⁾ 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.

c) Equity investments in other entities

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Equity investments in other entities				
- Chanh Phu Hoa Construction Investment Joint Stock	4,200,000,000	-	4,200,000,000	-
- Lao Cai Chemical Industry Joint Stock Company ⁽ⁱ⁾	600,000,000	-	-	-
	4,800,000,000	-	4,200,000,000	-

⁽ⁱ⁾ This is an investment of Phu Tai Ninh Thuan Stone Joint Stock Company (a subsidiary) in Lao Cai Chemical Industry Investment Joint Stock Company.

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 Construction Investment Joint Stock	7 Ngo Van Tri Street, Phu Loi Ward, Thu Dau Mot City, Binh Duong	0.85%	0.85%	Constructing and trading real estate
Lao Cai Chemical Industry Joint Stock Company	Lao Cai City, Lao Cai Province	4.00%	4.00%	Mining of non-ferrous metal ores

6. SHORT-TERM TRADE RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Trade receivables detailed by customers with large balances				
- Anavil Company LTD	30,612,478,469	-	-	-
- Thanh Hoa Co., Ltd	42,463,742	-	51,649,110,184	-
- Vinh Thai Timber Export and Import Company Ltd	-	-	36,871,832,087	-
- Yaraghi LLC	28,746,048,543	-	21,076,117,472	-
- Castorama France SAS	32,368,060,586	-	19,414,691,113	-
- Brico Depot Sas	6,515,711,048	-	18,195,256,888	-
- Hau Nhan Company Ltd	7,747,377,984	-	18,044,891,163	-
- Carrefour Imports SAS	34,121,173,400	-	16,744,815,647	-
- Masterbrand Cabinets INC	31,809,765,046	-	15,468,479,398	-
- B and Q PLC	14,713,829,868	-	15,151,536,305	-
- The Anh Transport Service and Trading Co., Ltd	13,900,921,383	-	12,853,639,928	-
- Bricostore	2,039,196,588	-	12,662,515,514	-
- FLC Faros Construction JSC	3,524,050,195	-	12,351,278,759	-
- Advance Furniture (VIC) PTY	2,965,752,449	-	10,856,318,479	-
- Melissa & Doug LLC	19,879,488,227	-	9,653,025,432	-
- Licogi 13 Joint Stock Company	2,861,966,771	(1,657,133,365)	6,787,361,354	(5,282,527,948)
- Anh Kim Company Ltd	9,795,477,973	-	6,611,993,362	-
- Axxcess Inc Pte Ltd-Mco	-	-	4,889,062,012	-
- Granitas Granit	5,612,079,775	-	3,774,724,472	-
- IP Consulting and Construction Company Ltd	691,380,700	-	2,491,380,700	-
- Branch Hoang Gia Can Tho Company Limited	7,290,918,930	-	-	-
- Innocent Inc	10,168,627,171	-	-	-
- Others	424,826,188,497	(8,557,912,246)	343,593,570,740	(5,941,846,095)
	690,232,957,345	(10,215,045,611)	639,141,601,009	(11,224,374,043)

7. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2019		01/01/2019	
	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	1,029,010,769	-	3,466,071,217	-
- Toyota Motor VietNam	-	-	1,000,408,220	-
- Jaf Globle	1,175,078,571	-	-	-
- Others	38,561,341,762	(1,636,587,723)	35,183,938,476	(1,620,331,473)
	40,765,431,102	(1,636,587,723)	62,027,125,553	(1,620,331,473)

8. OTHER RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Collateral, deposits	2,194,181,116	-	4,210,768,461	-
Advances to employees	15,472,931,735	-	17,600,525,071	-
Other receivables	2,508,823,244	(218,100,000)	2,950,448,505	(218,100,000)
- <i>Deposit interest receivable</i>	350,684,932	-	1,411,213,483	-
- <i>Receivables from social insurance, health insurance, unemployment insurance</i>	905,958,555	-	540,933,061	-
- <i>Receivable on dividends</i>	210,000,000	-	-	-
- <i>Purchase of property Advance receivable</i>	218,100,000	(218,100,000)	218,100,000	(218,100,000)
- <i>Others</i>	824,079,757	-	780,201,961	-
	20,175,936,095	(218,100,000)	24,761,742,037	(218,100,000)
b) Long-term				
Receivables from employees	1,213,150,000	-	-	-
Collateral, deposits	14,607,126,733	-	8,901,974,412	-
- <i>Environmental restoration deposits⁽ⁱ⁾</i>	13,642,147,233	-	8,553,974,412	-
- <i>Contract deposits</i>	964,979,500	-	348,000,000	-
Other receivables	3,156,035,589	-	1,818,050,589	-
- <i>Receivables from site clearance which are offset against land rental at Thang Loi Enterprise</i>	3,156,035,589	-	1,818,050,589	-
	18,976,312,322	-	10,720,025,001	-
c) Other receivables from related parties	210,000,000	-	-	-
(Detailed as in Notes 44)				

⁽ⁱ⁾ 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. DOUBTFUL DEBTS

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

	31/12/2019		01/01/2019	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
13 Licogi JSC	2,861,966,771	1,204,833,406	6,787,361,354	1,504,833,406
Tan Cuong Co., Ltd	1,175,007,342	235,001,595	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	-	507,016,559	-
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
Vuong Minh Production and Trading Company Limited	1,485,605,000	1,039,923,500	-	-
Trung Nam Construction Investment JSC	548,933,015	-	-	-
Others	6,494,638,943	618,825,515	4,834,241,606	243,633,861
	16,590,417,533	4,520,684,199	16,820,876,764	3,758,071,248

10. INVENTORIES

	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Goods in transit	1,041,594,319	-	17,405,857,038	-
Raw materials	415,513,085,578	-	396,078,436,651	-
Tools, supplies	1,026,746,037	-	2,244,723,336	-
Work in process	617,341,372,622	-	427,318,640,265	-
- Stone products	212,692,182,464	-	195,272,063,619	-
- Wood products	262,613,333,106	-	187,571,739,760	-
- Real estate ⁽ⁱ⁾	141,226,630,442	-	43,927,451,024	-
- Repair services	809,226,610	-	547,385,862	-
Finished goods	44,016,039,345	-	18,276,630,743	-
Goods	242,819,820,137	-	158,847,581,382	-
	1,321,758,658,038	-	1,020,171,869,415	-

⁽ⁱ⁾ This is the cost of construction investment in apartment building in Dong Da ecological lake project implemented by Phu Tai Real Estate One Member Limited Company (subsidiary) under Decision No. 15/QD-HDQT dated 18 January 2019 of the Chairman of Phu Tai Joint Stock Company, details are as follows:

- Project name: Apartment building in Dong Da ecological lake Project;
- Owner: Phu Tai Real Estate One Member Limited Company;
- Location: Le Duc Tho Street, Hai Cang Ward, Quy Nhon City, Binh Dinh Province;
- Project scale: Land area: 5,830 m²; Total construction area: 2,332 m²; Number of floating floors (excluding

- basements, technical floors and roofs): 33 floors;
- Total investment of the project: VND 876,435,576,752;
 - Investment capital sources: Investment capital from the parent company and mobilized capital;
 - Project Implementation Time: Expected from February 2019 to the fourth quarter of 2020;
 - As at December 31, 2019, the project is under construction of the basement of the apartment.

11. PREPAID EXPENSES

	31/12/2019	01/01/2019
	VND	VND
a) Short-term		
- Mining expenses	6,602,081,194	13,758,353,099
- Tools and supplies awaiting for allocation	17,434,132,778	11,919,811,091
- Expenditure on fixing machinery, equipment, factories	3,994,644,040	4,303,481,920
- Insurance expenses	4,811,461,005	2,557,285,404
- Other short-term prepaid expenses	2,247,498,170	4,052,603,511
	35,089,817,187	36,591,535,025
b) Long-term		
- Land and infrastructure rental expenses of Granite Processing Plant in Hung Yen Province ⁽ⁱ⁾	30,203,301,329	31,089,461,759
- Land and infrastructure rental expenses of Phu Cat Wood Processing Plant in Binh Dinh Province ⁽ⁱⁱ⁾	16,064,013,317	17,071,334,578
- Land and infrastructure rental expenses of Granite Processing Plant in Binh Dinh Province ⁽ⁱⁱⁱ⁾	12,343,301,201	6,752,419,130
- Expenses for the right to use leased land in Dien Tan, Dien Khanh, Khanh Hoa province ^(iv)	10,958,585,859	11,018,000,000
- Land rental expenses and maintenance of Phu Cat Industrial Park ^(v)	9,919,007,556	-
- Infrastructure rental expenses of Long My Factory, Binh Dinh Province ^(vi)	8,333,333,762	-
- Land and infrastructure rental expenses of Tuan Dat factory	3,352,612,021	2,614,451,450
- The land transfer fee of Son Phat Factory awaiting allocation ^(vii)	37,962,178,248	-
- Mining expenses	23,680,722,519	9,673,130,175
- Tools and supplies awaiting for allocation	21,303,583,992	7,658,787,935
- Expenditure on overhaul of machinery, equipment, factories	16,001,967,075	5,404,263,032
- Other long-term prepaid expenses	10,695,855,199	5,716,735,792
	200,818,462,078	96,998,583,851

⁽ⁱ⁾ 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.

⁽ⁱⁱ⁾ 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 Factory.

⁽ⁱⁱⁱ⁾ This is the rental of land and infrastructure in Cat Nhon Industrial Zone, Phu Cat District, Binh Dinh Province with the areas of 39,426.5 m² and 32,439 m², respectively, the rental period is 41 years from 2017 and 38 years from 2019 to serve the construction of Binh Dinh paving stone processing factory.

^(iv) This is the cost to obtain the right to use the leased land to serve the mining and stone production in Dien Tan commune, Dien Khanh district, Khanh Hoa province, the allocation time is 50 years from January 2019.

(v) This is the value of land and infrastructure rental in Cat Nhon Industrial Zone, Phu Cat district, Binh Dinh province for an area of 38,245.5 m², the rental period is 39 years from 2018 serving the expansion of the wood factory.

(vi) This is the value of infrastructure rental in Long My Industrial Zone, Quy Nhon City, Binh Dinh Province for an area of 30,075.8 m², the rental period until the end of December 31, 2048 serving the construction of Long My stone processing factory.

(vii) This is the value of land transfer that Son Phat Trading and Production Co., Ltd paid to households to serve the quarrying work in Van Da commune, Van Ninh district, Khanh Hoa province. The allocation is 30 years from July 2019.

12. GOODWILL

	31/12/2019	01/01/2019
	VND	VND
Beginning balance	15,557,327,791	17,572,429,712
The value of goodwill arising from acquisition of subsidiary ⁽ⁱ⁾	11,845,413,179	-
Goodwill amortized during the year	2,658,188,622	2,015,101,921
Ending balance	<u>24,744,552,348</u>	<u>15,557,327,791</u>

⁽ⁱ⁾ This is the value of goodwill arising from the acquisition of two subsidiaries, Son Phat Trading and Production Co., Ltd and Phu Tai Ninh Thuan Stone Joint Stock Company (See details in Note 3).

13. PREPAYMENTS FROM CUSTOMERS

	31/12/2019	01/01/2019
	VND	VND
- Unique Furniture S/A	-	3,052,716,714
- Dat Phuong Company Limited	1,521,306,744	1,521,306,744
- CCST Limited	-	1,015,423,720
- Granit Trading	1,039,950,000	-
- Vietnam Mechanical Services Co., Ltd.	1,390,618,193	-
- Others	24,456,170,047	21,786,662,436
	<u>28,408,044,984</u>	<u>27,376,109,614</u>

14. 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	709,705,578,826	915,507,619,878	248,962,848,541	5,245,197,647	157,002,064	1,879,578,246,956
- Purchase in the year	-	290,107,424,629	70,343,137,795	169,801,363	-	360,620,363,787
- Completed construction investment	213,873,359,518	-	-	-	-	213,873,359,518
- Increase by purchasing subsidiaries	2,996,181,818	35,236,119,093	2,428,574,386	52,516,524	-	40,713,391,821
- Liquidation, disposal	-	(30,749,275,652)	(11,037,063,254)	(212,143,797)	-	(41,998,482,703)
Ending balance	926,575,120,162	1,210,101,887,948	310,697,497,468	5,255,371,737	157,002,064	2,452,786,879,379
Accumulated depreciation						
Opening balance	262,083,726,112	438,198,681,218	122,843,581,976	4,896,474,390	157,002,064	828,179,465,760
- Depreciation for the year	64,522,468,075	91,166,772,909	27,623,464,576	199,593,887	-	183,512,299,447
- Increase by purchasing subsidiaries	2,721,564,619	14,673,259,526	925,256,888	52,516,524	-	18,372,597,557
- Liquidation, disposal	-	(19,291,045,743)	(7,732,263,485)	(212,143,797)	-	(27,235,453,025)
Ending balance	329,327,758,806	524,747,667,910	143,660,039,955	4,936,441,004	157,002,064	1,002,828,909,739
Net carrying amount						
Opening balance	447,621,852,714	477,308,938,660	126,119,266,565	348,723,257	-	1,051,398,781,196
Ending balance	597,247,361,356	685,354,220,038	167,037,457,513	318,930,733	-	1,449,957,969,640

- At the end of period, the carrying amount of tangible assets used as mortgages and collateral for loans is: VND 531,876,145,948;
- Original cost of fully depreciated tangible fixed assets at the end of the period but still in use is: VND 297,920,865,715.

15. 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	12,303,892,946	14,926,792,016	86,416,000	731,525,918	46,457,516,253
- Increase by purchasing subsidiaries	-	-	2,647,330,615	-	-	2,647,330,615
Ending balance	18,408,889,373	12,303,892,946	17,574,122,631	86,416,000	731,525,918	49,104,846,868
Accumulated amortization						
Opening balance	9,310,778,422	2,821,991,666	3,519,278,819	86,416,000	731,525,918	16,469,990,825
- Depreciation for the year	1,819,944,932	437,964,453	603,580,408	-	-	2,861,489,793
Ending balance	11,130,723,354	3,259,956,119	4,122,859,227	86,416,000	731,525,918	19,331,480,618
Net carrying amount						
Opening balance	9,098,110,951	9,481,901,280	11,407,513,197	-	-	29,987,525,428
Ending balance	7,278,166,019	9,043,936,827	13,451,263,404	-	-	29,773,366,250

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

16. CONSTRUCTION IN PROGRESS

	31/12/2019	01/01/2019
	VND	VND
Construction in progress	144,420,170,294	76,233,357,339
- Project of expanding Thang Loi Wood Processing Plant in Phuoc Thanh, Tuy Phuoc, Binh Dinh Province ⁽ⁱ⁾	-	44,774,307,032
- Project of expanding Binh Dinh Granite Processing Plant, Phu Cat, Binh Dinh Province ⁽ⁱⁱ⁾	-	6,760,522,834
- Project of Thanh Chau Phu Yen Stone factory	-	3,407,602,930
- Project of expanding Long My 2 stone processing factory in Quy Nhon, Binh Dinh province ⁽ⁱⁱⁱ⁾	6,250,193,169	-
- Project of constructing the Quartz stone factory in Nhon Trach, Dong Nai province ^(iv)	124,976,204,306	-
- Contruction expense of Da Du quarry	7,368,968,442	7,035,241,169
- Contruction expense of Da Loc quarry	-	1,633,253,198
- Contruction expense of Song Hinh quarry	1,039,964,500	1,039,964,500
- Others	4,784,839,877	11,582,465,676
Purchase of fixed assets	13,689,005,209	17,006,576,797
- Machinery and equipment for wood	2,881,003,283	10,195,292,320
- Machinery and equipment for stone	10,808,001,926	6,811,284,477
Major repairs	-	219,576,181
- Repair of factory	-	219,576,181
	158,109,175,503	93,459,510,317

⁽ⁱ⁾ 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:

- 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;
- The project was completed and put into use in 2019.

⁽ⁱⁱ⁾ 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:

- 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;
- The project has been completed and put into use in 2019.

⁽ⁱⁱⁱ⁾ According to Decision No. 107A/QD-CTHDQT dated October 30, 2019 of the Chairman on expansion of Granite processing factory - Long My 2. Details of the project are as follows:

- Project name: Expanding Long My 2 stone processing factory;
- Investor: Phu Tai Joint Stock Company;
- Project management unit: 380 Enterprise;
- Location: Long My Industrial Park, Phuoc My district, Quy Nhon city, Binh Dinh province;
- Project scale: 30,075 m²;

- Investment purpose: construction of granite processing factory to expand production scale, increasing the capacity from 3,600 m³/year to 18,000 m³/year;
- Total investment budget: VND 23,945,842,189;
- Implementation time: From November 2019. Expected to come into operation in 2020;
- As at 31 December 2019, the project has been implemented.

(iv) According to Decision No. 79/QD-HDQT dated June 06, 2019 of the Board of Management on approval of Quartz stone processing factory. Details of the project are as follows:

- Project name: Quartz stone processing factory;
- Investor: Phu Tai Quartz Stone Company Limited;
- Location: Nhon Trach industrial zone, Nhon Trach district, Dong Nai province;
- Project scale: 4.4 ha;
- Investing purpose: construction of quartz stone processing factory with an expected capacity of 40,000m² / month, equivalent to 450,000m²/year;
- Total investment budget: VND 273,976,000,000;
- Implementation time: From June 2019. Expected to come into operation in 2020;
- As at 31 December 2019, the project has been implemented .

17. SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
- Mow Brazil Comercial Importadora E Exportadora Ltd	-	-	27,097,223,771	27,097,223,771
- Hoang Giang Co., Ltd	17,777,389,841	17,777,389,841	23,022,672,053	23,022,672,053
- Olam International	-	-	13,547,654,278	13,547,654,278
- Scanco A Chau Trading Co. Ltd - Quy Nhon Branch	-	-	12,205,738,205	12,205,738,205
- Thanh Danh Co., Ltd	15,840,230,538	15,840,230,538	10,063,905,200	10,063,905,200
- Giang Dat Thanh Manufacturing and Trading Co. Ltd	13,160,117,950	13,160,117,950	8,124,249,500	8,124,249,500
- Vu Tin International Trading Co., Ltd	26,494,363,855	26,494,363,855	7,911,462,800	7,911,462,800
- Phuoc Long Import Export Trading Co., Ltd	7,004,290,271	7,004,290,271	7,245,457,972	7,245,457,972
- Lundhs Labrador A/S	9,922,547,925	9,922,547,925	6,990,450,816	6,990,450,816
- HK Binh Thach Manufacturing and Trading Co., Ltd	8,166,125,600	8,166,125,600	5,809,387,550	5,809,387,550
- Quang Trung Engineering and Construction JSC	3,109,385,994	3,109,385,994	5,789,910,486	5,789,910,486
- Hoang Tam Co., Ltd	2,998,620,386	2,998,620,386	4,768,059,714	4,768,059,714
- Kim Hung Thinh Consultant Design Building Construction Co., Ltd	19,756,498,960	19,756,498,960	348,278,088	348,278,088
- An Phong Construction Joint Stock Company	14,869,546,188	14,869,546,188	-	-
- Binh Dinh Construction Company Ltd.	14,200,661,166	14,200,661,166	-	-
- Others	290,808,844,769	290,808,844,769	194,265,890,592	194,265,890,592
	444,108,623,443	444,108,623,443	327,190,341,025	327,190,341,025

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	621,969,963	6,863,933,645	123,259,629,571	118,966,413,804	-	10,535,179,449
Export, import duties	6,127,604	-	5,695,439,396	5,689,311,792	-	-
Corporate income tax	-	31,561,500,507	93,222,424,325	59,080,607,908	-	65,703,316,924
Personal income tax	-	617,279,097	9,430,286,263	9,485,488,905	-	562,076,455
Natural resource tax	-	1,472,451,479	29,511,740,047	27,395,584,035	-	3,588,607,491
Land tax and land rental	-	71,693,800	3,426,894,907	3,503,306,641	71,693,800	66,975,866
Other taxes	-	5,271,089	706,297,680	634,294,506	-	77,274,263
Fees, charges and other payables	-	8,258,276,339	18,999,800,308	20,735,973,040	-	6,522,103,607
	628,097,567	48,850,405,956	284,252,512,497	245,490,980,631	71,693,800	87,055,534,055

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

	<u>31/12/2019</u>	<u>01/01/2019</u>
	VND	VND
- Accrued land rental	4,454,557,113	2,322,621,750
- Accrued interest expenses	2,209,640,962	1,898,123,013
- Accrued electricity expenses	734,962,848	1,255,604,609
- Accrued commission expenses	2,532,447,209	1,236,907,396
- Accrued transportation expenses	965,879,365	816,356,648
- Accrued design and material expenses	1,163,075,691	778,492,719
- Accrued expenses of import and export processing	56,493,520	17,285,845
- Accrued of promotional expenses for car sales	940,145,616	-
- Others	2,056,929,361	840,188,827
	<u>15,114,131,685</u>	<u>9,165,580,807</u>

20. SHORT-TERM UNEARNED REVENUES

	<u>31/12/2019</u>	<u>01/01/2019</u>
	VND	VND
- Revenues from Office for lease	207,000,000	152,636,363
	<u>207,000,000</u>	<u>152,636,363</u>

21. OTHER PAYABLES

	31/12/2019	01/01/2019
	VND	VND
a) Short-term		
Trade union fee	4,005,939,869	2,475,736,996
Social insurance	408,963,480	97,337,085
Health insurance	69,893,218	36,681,924
Unemployment insurance	153,159,355	6,994,894
Short-term deposits, collateral received	1,890,000,000	-
Other payables	10,632,941,322	15,207,878,524
- <i>Interest of Vinacam Joint Stock Company</i>	2,828,455,998	6,505,163,960
- <i>Land rent must be paid to the Finance Department -</i>		
- <i>Ministry of Defense</i>	3,261,351,000	3,261,352,600
- <i>Interest of personal loans</i>	24,168,971	-
- <i>Payables to Military zone No. 05</i>	122,000,000	122,000,000
- <i>Donation funds</i>	421,985,144	556,395,144
- <i>Labour Union, Communist membership fee</i>	29,445,928	119,647,098
- <i>Allowances payable to employees</i>	1,341,626,900	1,550,093,050
- <i>Dividends payable to Owners</i>	77,682,200	76,095,000
- <i>Advances payable to employees</i>	452,092,057	693,518,667
- <i>Labor protection payables</i>	-	158,315,250
- <i>Trade discount payable to Toyota Vietnam</i>	632,645,455	-
- <i>Mr. Nguyen Quoc Trieu</i>	-	1,892,914,000
- <i>Others</i>	1,441,487,669	272,383,755
	17,160,897,244	17,824,629,423
b) Long-term		
Long-term deposits, collateral received	4,238,083,329	4,248,039,330
	4,238,083,329	4,248,039,330

22. BORROWINGS

	01/01/2019		Trong năm		31/12/2019	
	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	1,112,378,111,665	1,112,378,111,665	4,235,730,322,317	3,891,236,096,847	1,456,872,337,135	1,456,872,337,135
Current portion of long-term borrowings	18,902,350,000	18,902,350,000	57,984,212,152	14,342,750,000	62,543,812,152	62,543,812,152
	<u>1,131,280,461,665</u>	<u>1,131,280,461,665</u>	<u>4,293,714,534,469</u>	<u>3,905,578,846,847</u>	<u>1,519,416,149,287</u>	<u>1,519,416,149,287</u>
b) Long-term borrowings						
Long-term borrowings	92,926,032,560	92,926,032,560	233,431,215,655	73,149,244,083	253,208,004,132	253,208,004,132
Common bonds	-	-	90,638,658,337	10,800,000,000	79,838,658,337	79,838,658,337
	<u>92,926,032,560</u>	<u>92,926,032,560</u>	<u>324,069,873,992</u>	<u>83,949,244,083</u>	<u>333,046,662,469</u>	<u>333,046,662,469</u>
Amount due for settlement within 12 months	(18,902,350,000)	(18,902,350,000)	(57,984,212,152)	(14,342,750,000)	(62,543,812,152)	(62,543,812,152)
Amount due for settlement after 12 months	<u>74,023,682,560</u>	<u>74,023,682,560</u>			<u>270,502,850,317</u>	<u>270,502,850,317</u>

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 purpose	Loan guarantee	31/12/2019		01/01/2019	
					Original currency	VND	Original currency	VND
Short-term loans (VND)					914,023,135,625		718,132,952,610	
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	340,271,434,048		319,099,599,326	
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	306,061,686,196		243,322,151,091	
- Military Commercial Joint Stock Bank - Binh Dinh Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	175,974,323,430		96,107,845,831	
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	-		13,189,942,312	
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Tai Industrial Zone Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	26,219,876,000		24,250,000,000	
- Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	46,618,866,183		-	
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch	VND	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	2,626,949,768		14,986,572,050	
- Short-term Personal loans	VND	Specified in each loan	Serving business activities	Unsecured loan	16,250,000,000		7,176,842,000	

	Currency	Interest rate/ year	Loan purpose	Loan guarantee	31/12/2019		01/01/2019	
					Original currency	VND	Original currency	VND
Short-term loans (USD)					23,371,880.92	542,849,201,510	16,959,561.73	394,245,159,055
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	2,382,495.25	55,357,277,134	5,298,692.20	123,168,100,189
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	1,350,238.38	31,366,037,567	361,757.85	8,412,678,802
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	3,573,045.21	83,001,840,228	3,234,273.53	75,180,688,205
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	3,887,863.82	90,315,076,539	2,440,404.86	56,727,210,971
- Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch	USD	4.5%/year	Serving business activities	Collateral asset ⁽ⁱ⁾	1,900,000.00	44,137,000,000	1,280,000.00	29,760,000,000
- Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	5,724,095.00	132,970,726,850	-	-
- The Viet Nam Bank for Agriculture Rural Development - Tam Phuoc Dong Nai Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	3,426,154.26	79,486,778,832	3,176,831.29	73,826,382,348
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	Serving business activities	Collateral asset ⁽ⁱ⁾	1,127,989.00	26,214,464,360	1,167,602.00	27,170,098,540
						<u>1,456,872,337,135</u>		<u>1,112,378,111,665</u>

Detailed information on long-term borrowings

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

	Currency	Interest rate/ year	Loan purpose	Year of maturity	Loan guarantee	31/12/2019 VND	01/01/2019 VND
Long-term loans							
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	Serve the project	2020	Collateral asset ⁽ⁱ⁾	18,786,000,000	-
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	Serve the project	2023	Collateral asset ⁽ⁱ⁾	70,590,395,060	86,990,395,060
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch	VND	Floating rate	Serving business activities	2019	Collateral asset ⁽ⁱ⁾	-	5,703,037,500
- Tien Phong Commercial Joint Stock Bank - Binh Dinh Branch	VND	Floating rate	Serving business activities	2022	Collateral asset ⁽ⁱ⁾	60,556,319,248	-
- Military Commercial Joint Stock Bank - Binh Dinh	VND	Floating rate	Serving business activities	2022	Collateral asset ⁽ⁱ⁾	8,129,103,716	-
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch	VND	Floating rate	Serving business activities	2022	Collateral asset ⁽ⁱ⁾	7,546,193,750	-
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Yen Branch	VND	Floating rate	Serving business activities	2019	Unsecured loan	-	232,600,000
- Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch	VND	Floating rate	Serving business activities	2023	Collateral asset ⁽ⁱ⁾	62,248,114,604	-
- Military Commercial Joint Stock Bank - Binh Dinh	USD	Floating rate	Serve the project	2022	Collateral asset ⁽ⁱ⁾	25,351,877,754	-
- Bonds issued ⁽ⁱⁱ⁾						79,838,658,337	-
Amount due for settlement within 12 months						333,046,662,469	92,926,032,560
						(62,543,812,152)	(18,902,350,000)
Amount due for settlement after 12 months						270,502,850,317	74,023,682,560

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

⁽ⁱⁱ⁾ Bond purchase and sale contract No. 01 / HD-MB dated 06/06/2019 for Military Commercial Joint Stock Bank - Binh Dinh Branch with the following contents:

- Issuers: Phu Tai Joint Stock Company;
- Face value of bonds: VND 100,000,000 / bond;
- Number of bonds issued: 650 bonds;

- Form of issuance: Issued individually under Decree No. 163/ND-CP through issuing agents;
- Purpose of issuance: Payment for the cost of receiving 99% of the capital at Son Phat Trading and Production Co., Ltd and receiving the transfer of 25.4 ha of production forest land owned by Mr. Vo Ba Hat;
- Bond type: Certificate;
- Bond term: 3 years;
- Bond issuance date: 10/06/2019;
- Bond maturity date: 10/06/2022;
- Issuing price: equal to 100% of the bond value;
- Interest rate: interest rate for the first 4 periods is 9%/year; subsequent periods are calculated based on the medium and long term interest rate at Military Commercial Joint Stock Bank - Binh Dinh branch at each time;
- Collateral: Workshop, machinery and equipment owned by Son Phat Trading and Production Company Limited; Right to exploit quarry in Cay Cay 3 area, Dien Tan commune, Dien Khanh district, Khanh Hoa province.

Bond purchase and sale contract No. 02/HD-MB dated 12/11/2019 for Military Commercial Joint Stock Bank - Binh Dinh Branch with the following contents:

- Issuers: Phu Tai Joint Stock Company;
- Face value of bonds: VND 100,000,000 / bond;
- Number of bonds issued: 1.500 bonds;
- Form of issuance: Issued individually under Decree No. 163/ND-CP through issuing agents;
- Purpose of issuance: Implementation of the Project of quartz factory in Nhon Trach Textile Industrial Park - Dong Nai;
- Bond type: Book with certificate issued;
- Bond term: 5 years;
- Bond issuance date: 12/11/2019;
- Bond maturity date: 12/11/2024;
- Issuing price: equal to 100% of the bond value;
- Interest rate: interest rate for the first 4 periods is 9%/year; subsequent periods are calculated based on the medium and long term interest rate at Military Commercial Joint Stock Bank - Binh Dinh branch at each time;
- Collateral: Property rights arising from the land lease contract between Phu Tai Quartz Stone One Member Company Limited and Vinatex Tan Tao Joint Stock Company under the land lease contract No. 42 / HDTLQSDD-VNT / KD-2019 dated August 8, 2019; Assets formed in the future include all factories, offices and other properties associated with the land and all machinery, production lines under the Quartz Factory Project in Nhon Trach Textile Industrial Park - Dong Nai.

23. PROVISIONS FOR PAYABLES

	<u>31/12/2019</u>	<u>01/01/2019</u>
	VND	VND
a) Short-term		
- Cost of mineral mining right ⁽ⁱ⁾	4,405,733,967	4,647,971,217
	<u><u>4,405,733,967</u></u>	<u><u>4,647,971,217</u></u>
b) Long-term		
- Cost of environmental restoration ⁽ⁱⁱ⁾	4,632,939,873	4,497,695,292
	<u><u>4,632,939,873</u></u>	<u><u>4,497,695,292</u></u>

⁽ⁱ⁾ 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.

⁽ⁱⁱ⁾ 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	Treasury shares	Development and investment	Retained earnings	Non – Controlling Interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Beginning 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
Issue shares to existing shareholders	51,835,540,000	129,588,850,000	-	-	-	-	-	181,424,390,000
Issues shares under a selection program for employees	12,960,000,000	32,400,000,000	-	-	-	-	-	45,360,000,000
Profit of the previous year	-	-	-	-	-	384,627,414,748	15,181,358,150	399,808,772,898
Dividends distributed in form of cash	-	-	-	-	-	(32,399,748,000)	(9,611,371,948)	(42,011,119,948)
Dividends distributed in form of share	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	-	-	-	-	-	(20,289,348,973)	(727,306,759)	(21,016,655,732)
Expenses of consulting shares	-	(169,500,000)	-	-	-	-	-	(169,500,000)
Other decrease	-	-	-	-	-	(485,706,656)	(208,536,047)	(694,242,703)
Ending balance of previous year	485,994,410,000	162,128,986,832	566,683,450,074	-	5,266,263,893	385,458,429,987	53,654,546,193	1,659,186,086,979
Profit of the this year	-	-	-	-	-	435,375,751,707	21,427,217,813	456,802,969,520
Dividends distributed in the form of cash	-	-	-	-	-	(151,358,211,200)	(13,658,265,400)	(165,016,476,600)
Transfer to other capital	-	-	200,710,093,218	-	-	(200,710,093,218)	-	-
Appropriate funds	-	-	-	-	801,742,915	(801,742,915)	-	-
Bonus and welfare fund	-	-	-	-	-	(22,236,541,798)	(410,068,071)	(22,646,609,869)
Redemption of treasury shares ⁽ⁱ⁾	-	-	-	(82,808,934,273)	-	-	-	(82,808,934,273)
Ending balance of this year	485,994,410,000	162,128,986,832	767,393,543,292	(82,808,934,273)	6,068,006,808	445,727,592,563	61,013,430,535	1,845,517,035,757

(i) During the year, under the Resolution No. 20/NQ-HDQT dated 12/02/2019, the Company has completed the treasury shares acquisition. Specifically:

- Number of shares registered to buy back: 1,500,000 shares;
- Number of shares successfully implemented: 1,300,000 shares;
- Average trading price: VND 63,603/share;
- Duration: from March 19, 2019 to April 17, 2019.

The company's profit distribution is as follows:

	At the Parent Company ⁽ⁱ⁾	At the Subsidiaries ⁽ⁱⁱ⁾	Total
	VND	VND	VND
Appropriation to Bonus and welfare fund	18,478,456,786	4,168,153,083	22,646,609,869
Transfer to the other capital	199,732,467,742	977,625,476	200,710,093,218
Appropriation to Development and Investment fund	-	801,742,915	801,742,915
Dividends distributed in form of cash	151,358,211,200	13,658,265,400	165,016,476,600

(i) At the Parent Company: Profit in 2018 is distributed according to the Resolution No. 02/NQ-DHDCD dated 06 April 2019 of the Company's Annual General Shareholders' Meeting in 2019.

(ii) At the Subsidiaries: it is a proportionate of the interests of the Parent Company and the non -controlling Shareholder, who is entitled to the appropriation of funds during the year of the subsidiary.

b) Details of contributed capital

	31/12/2019	Rate	01/01/2019	Rate
	VND	%	VND	%
Mr Le Vy	57,624,580,000	11.86%	57,624,580,000	11.86%
Mr Le Thao	35,573,330,000	7.32%	35,573,330,000	7.32%
Mr Le Van Loc	27,986,020,000	5.76%	27,986,020,000	5.76%
Mr Nguyen Sy Hoe	24,996,980,000	5.14%	24,496,980,000	5.04%
Others	339,813,500,000	69.92%	340,313,500,000	70.02%
Total	485,994,410,000	100%	485,994,410,000	100%

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

	Year 2019	Year 2018
	VND	VND
Owners' contributed capital		
- At the beginning of the year	485,994,410,000	259,201,940,000
- Increase in the year	-	226,792,470,000
- At the end of the year	<u>485,994,410,000</u>	<u>485,994,410,000</u>
Distributed dividends and profits		
- Dividends, profit payable at the beginning of the year	76,095,000	64,170,000
- Dividends, profit payable in the year	151,358,211,200	194,398,488,000
+ <i>Dividends and profits distributed from the previous year profit</i>	<i>151,358,211,200</i>	<i>194,398,488,000</i>
- Dividends, profits paid in money	151,356,624,000	32,387,823,000
+ <i>Dividends and profits distributed from the previous year profit</i>	<i>151,356,624,000</i>	<i>32,387,823,000</i>
- Dividends, profits paid in stock	-	161,998,740,000
+ <i>Dividends and profits distributed from the previous year profit</i>	<i>-</i>	<i>161,998,740,000</i>
- Ending balance of the year	<u>77,682,200</u>	<u>76,095,000</u>

d) Shares

	31/12/2019	01/01/2019
Quantity of Authorized issuing shares	48,599,441	48,599,441
Quantity of issued shares and fully contributed	48,599,441	48,599,441
- <i>Common shares</i>	<i>48,599,441</i>	<i>48,599,441</i>
Number of redeemed shares (treasury shares)	1,300,000	-
- <i>Common shares</i>	<i>1,300,000</i>	<i>-</i>
Quantity of outstanding shares in circulation	47,299,441	48,599,441
- <i>Common shares</i>	<i>47,299,441</i>	<i>48,599,441</i>
Par value per share: VND 10,000		

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

	31/12/2019	01/01/2019
USD	898,852.63	573,352.39
EUR	1,680.89	1,052.25

c) Doubtful debts written-offs

	31/12/2019	01/01/2019
	VND	VND
	2,387,287,401	2,387,287,401

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

	Year 2019	Year 2018
	VND	VND
Revenue from sale of goods	5,403,341,834,531	4,583,328,419,590
- <i>Wood products</i>	2,090,653,257,501	1,840,781,019,722
- <i>Toyota Car</i>	1,805,079,211,214	1,408,565,578,480
- <i>Stone products</i>	1,495,823,438,309	1,323,294,262,909
- <i>Others</i>	11,785,927,507	10,687,558,479
Revenue from rendering of services	145,828,488,467	135,736,611,431
- <i>Car repair service</i>	144,035,431,550	133,652,489,202
- <i>Office and factory for lease service</i>	1,793,056,917	2,084,122,229
	<u>5,549,170,322,998</u>	<u>4,719,065,031,021</u>

27. REVENUE DEDUCTIONS

The revenue deductions generated during the year are returned goods at Parents Company with the amount of VND 32,967,894.

28. NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2019	Year 2018
	VND	VND
Revenue from sale of goods	5,403,308,866,637	4,583,328,419,590
- <i>Wood products</i>	2,090,620,289,607	1,840,781,019,722
- <i>Toyota Car</i>	1,805,079,211,214	1,408,565,578,480
- <i>Stone products</i>	1,495,823,438,309	1,323,294,262,909
- <i>Others</i>	11,785,927,507	10,687,558,479
Revenue from rendering of services	145,828,488,467	135,736,611,431
- <i>Car repair service</i>	144,035,431,550	133,652,489,202
- <i>Office and factory for lease service</i>	1,793,056,917	2,084,122,229
	<u>5,549,137,355,104</u>	<u>4,719,065,031,021</u>

29. COST OF GOODS SOLD

	Year 2019	Year 2018
	VND	VND
Cost of goods sold	4,407,448,036,147	3,768,726,514,078
- <i>Wood products</i>	1,698,991,511,897	1,547,694,497,395
- <i>Toyota Car</i>	1,757,418,121,469	1,351,992,046,235
- <i>Stone products</i>	939,720,565,681	866,628,491,807
- <i>Others</i>	11,317,837,100	2,411,478,641
Cost of services rendered	110,478,931,171	107,342,877,624
- <i>Car repair service</i>	110,366,431,171	107,195,291,024
- <i>Office and factory for lease service</i>	112,500,000	147,586,600
Provision for devaluation of inventories	-	(26,373,000)
	<u>4,517,926,967,318</u>	<u>3,876,043,018,702</u>

30. FINANCIAL INCOME

	Year 2019	Year 2018
	VND	VND
Interest income	8,256,427,841	10,229,104,907
Gain from disposal of financial investments	-	7,844,265,500
Dividends or profits received	239,457,534	725,700,000
Realised exchange gain	4,552,357,649	3,605,569,832
Unrealised exchange gain	1,453,341,651	2,377,306,435
Interest from deferred payment sale or payment discounts	1,809,070,052	2,183,918,313
	16,310,654,727	26,965,864,987

31. FINANCIAL EXPENSES

	Year 2019	Year 2018
	VND	VND
Interest expenses	92,311,437,775	57,210,326,024
Realised exchange losses	3,936,947,389	9,342,126,755
Unrealised exchange losses	298,586,873	218,525,854
Others	-	38,820,848
	96,546,972,037	66,809,799,481

32. SELLING EXPENSES

	Year 2019	Year 2018
	VND	VND
Raw materials	63,496,987,516	50,244,013,919
Labour expenses	15,502,305,077	12,599,357,477
Tools and supplies	79,536,155	125,710,273
Depreciation expenses	2,361,665,362	2,219,116,312
Tax, Charge, Fee	15,794,911,842	22,350,742,780
Expenses of outsourcing services	119,716,318,405	83,758,796,586
Other expenses in cash	6,671,259,012	6,107,304,443
	223,622,983,369	177,405,041,790

33. GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2019	Year 2018
	VND	VND
Raw materials	312,456,862	191,104,547
Labour expenses	108,140,124,858	91,613,801,479
Tools and supplies	6,983,028,046	6,178,724,861
Depreciation expenses	12,158,299,941	10,921,383,872
Tax, Charge, Fee	6,334,947,779	6,667,709,885
Provision expenses	(1,038,190,013)	(1,106,304,845)
Expenses of outsourcing services	24,479,305,954	19,429,896,095
Other expenses in cash	25,415,099,971	21,560,001,002
Goodwill	2,658,188,622	2,015,101,921
	185,443,262,020	157,471,418,817

34. OTHER INCOME

	Year 2019	Year 2018
	VND	VND
Gain from liquidating, disposing fixed assets	4,587,373,414	4,062,906,801
Gain from Toyota car sale promotion	3,781,646,339	4,661,533,818
Gain from wood sale promotion	308,005,592	1,125,584,756
Gain from penalty	876,223,386	660,778,338
Gain from debt collection	171,244,161	544,693,847
Gain from other services	1,147,808,347	53,641,280
Others income	1,118,513,024	857,789,193
	11,990,814,263	11,966,928,033

35. OTHER EXPENSES

	Year 2019	Year 2018
	VND	VND
Penalty due to late delivery	1,845,973,740	2,928,534,269
The value of fire and explosion assets is not compensated	-	961,913,064
Local support costs	329,400,001	576,515,940
Amounts fined, late payment interest	796,836,266	214,949,348
Debt settlement	23,555,274	12,194,158
Other expenses	867,413,577	501,664,699
	3,863,178,858	5,195,771,478

36. CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2019	Year 2018
	VND	VND
Current corporate income tax expense in parent company	64,421,430,253	55,000,781,565
Current corporate income tax expense in subsidiary	28,548,554,072	20,362,033,593
- Phu Yen Construction Materials JSC	7,562,398,166	5,873,045,699
- Tuan Dat Minerals One-member Company Limited	1,711,787,552	1,220,756,209
- Universal Stone Joint Stock Company	-	110,338,911
- Toyota Binh Dinh One-member Company Limited	1,935,975,366	1,995,596,959
- Toyota Da Nang One-member Company Limited	5,439,369,525	8,857,175,224
- Phu Tai Dong Nai One-member Company Limited	2,685,008,436	1,280,488,561
- Vina G7 Joint Stock Company	4,902,595,778	948,313,141
- Granite Manufacturing Company Limited	2,549,405,366	76,318,889
- Thanh Chau Phu Yen Granite Company Limited	1,334,924,335	-
- Son Phat Production and Trading Company Limited	427,089,548	-
	92,969,984,325	75,362,815,158

37. DEFERRED INCOME TAX

a) Deferred income tax assets

	31/12/2019	1/1/2019
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	900,087,827	795,333,320
Deferred income tax assets	900,087,827	795,333,320

b) Deferred income tax liabilities

	31/12/2019	1/1/2019
	VND	VND
Corporate income tax rate used to determine deferred income tax liabilities	20%	20%
Deferred income tax liabilities arising from deductible temporary difference	387,294,247	20,033,095
Deferred income tax liabilities	387,294,247	20,033,095

c) Deferred corporate income tax expense

	Year 2019	Year 2018
	VND	VND
Deferred CIT expense relating to taxable temporary difference	367,261,154	20,033,095
Deferred CIT income arising from deductible temporary difference	(900,087,827)	(795,333,320)
Deferred CIT expense relating to reversal of deferred income tax assets	795,333,320	676,485,942
	262,506,647	(98,814,283)

38. BASIC EARNINGS PER SHARE

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

	Year 2019	Năm 2018
	VND	VND
Net profit after tax	435,375,751,707	384,627,414,748
Adjustments:	1,087,428,598	-
- <i>Bonus and welfare fund distributed from the net profit after tax</i>	1,087,428,598	-
Profit distributed for common shares	434,288,323,109	384,627,414,748
Average number of outstanding common shares in circulation in the year	47,676,975	45,851,409
Basic earnings per share	9,109	8,389

39. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2019	Year 2018
	VND	VND
Raw materials	1,672,801,290,421	1,399,833,146,012
Labour expenses	444,603,537,862	413,036,780,590
Tools and supplies	60,754,499,424	68,547,291,175
Depreciation expenses	186,373,789,240	166,045,218,614
Tax, Charge, Fee	41,840,783,918	45,390,464,071
Provision expenses/ Reversal of provision expenses	(987,715,899)	(851,804,845)
Expenses from outsourcing services	500,323,510,356	402,847,379,303
Other expenses in cash	52,013,410,831	59,290,405,543
	2,957,723,106,153	2,554,138,880,463

40. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	126,518,814,646	-	67,039,272,068	-
Trade and other receivables	729,385,205,762	(10,433,145,611)	674,623,368,047	(11,442,474,043)
Loans	50,000,000,000	-	174,895,289,166	-
	<u>905,904,020,408</u>	<u>(10,433,145,611)</u>	<u>916,557,929,281</u>	<u>(11,442,474,043)</u>

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
Financial Liabilities		
Borrowings and debts	1,789,918,999,604	1,205,304,144,225
Trade and other payables	465,507,604,016	349,263,009,778
Accrued expenses	15,114,131,685	9,165,580,807
	<u>2,270,540,735,305</u>	<u>1,563,732,734,810</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.

Exchange rate risk

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

Interest rate risk

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the 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 interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty 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).

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2019				
Cash and cash equivalents	126,518,814,646	-	-	126,518,814,646
Trade and other receivables	699,975,747,829	18,976,312,322	-	718,952,060,151
Loans	50,000,000,000	-	-	50,000,000,000
	<u>876,494,562,475</u>	<u>18,976,312,322</u>	<u>-</u>	<u>895,470,874,797</u>
As at 01/01/2019				
Cash and cash equivalents	67,039,272,068	-	-	67,039,272,068
Trade and other receivables	652,460,869,003	10,720,025,001	-	663,180,894,004
Loans	174,895,289,166	-	-	174,895,289,166
	<u>894,395,430,237</u>	<u>10,720,025,001</u>	<u>-</u>	<u>905,115,455,238</u>

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 31/12/2019				
Borrowings and debts	1,519,416,149,287	270,502,850,317	-	1,789,918,999,604
Trade and other payables	461,269,520,687	4,238,083,329	-	465,507,604,016
Accrued expenses	15,114,131,685	-	-	15,114,131,685
	<u>1,995,799,801,659</u>	<u>274,740,933,646</u>	<u>-</u>	<u>2,270,540,735,305</u>
As at 01/01/2019				
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
	<u>1,485,461,012,920</u>	<u>78,271,721,890</u>	<u>-</u>	<u>1,563,732,734,810</u>

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.

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

a) Proceeds from borrowings during the year

	Year 2019	Year 2018
	VND	VND
Proceeds from ordinary contracts	4,559,949,317,408	2,965,899,100,515
Unrealised Exchange gain difference	149,121,099	-

b) Actual repayment on principal during the year

	Year 2019	Year 2018
	VND	VND
Repayment on principal from ordinary contracts	3,975,185,340,930	2,838,773,947,065

42. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Separate financial statements.

43. 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	1,505,243,763,412	2,081,199,964,504	-	1,962,693,627,188	5,549,137,355,104	-	5,549,137,355,104
- Domestic	1,083,982,404,103	430,915,183,033	-	1,962,693,627,188	3,477,591,214,324	-	3,477,591,214,324
- Export	421,261,359,309	1,650,284,781,471	-	-	2,071,546,140,780	-	2,071,546,140,780
Cost of goods sold	939,720,565,681	1,698,991,511,897	-	1,879,214,889,740	4,517,926,967,318	-	4,517,926,967,318
Net profit from business activities	565,523,197,731	382,208,452,607	-	83,478,737,448	1,031,210,387,786	-	1,031,210,387,786
Total cost of acquisition of fixed assets	449,889,303,354	184,572,533,682	-	4,901,127,636	639,362,964,672	-	639,362,964,672
Segment assets	1,671,205,328,862	3,003,359,740,352	162,875,755,609	313,056,758,056	5,150,497,582,879	(827,503,301,609)	4,322,994,281,270
Assets not allocated	-	-	-	-	5,700,087,827	-	5,700,087,827
Total assets	1,671,205,328,862	3,003,359,740,352	162,875,755,609	313,056,758,056	5,156,197,670,706	(827,503,301,609)	4,328,694,369,097
Segment liabilities	855,638,398,164	2,180,539,589,052	63,094,569,313	211,020,784,173	3,310,293,340,702	(827,503,301,609)	2,482,790,039,093
Liabilities are not allocated	-	-	-	-	387,294,247	-	387,294,247
Total liabilities	855,638,398,164	2,180,539,589,052	63,094,569,313	211,020,784,173	3,310,680,634,949	(827,503,301,609)	2,483,177,333,340

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	133,318,454,557	3,082,010,368,156	642,133,464,135	311,221,141,970	1,521,673,345,239	(141,219,418,953)	5,549,137,355,104
- Domestic	133,318,454,557	1,605,962,422,084	52,709,766,393	305,146,645,004	1,521,673,345,239	(141,219,418,953)	3,477,591,214,324
- Export	-	1,476,047,946,072	589,423,697,742	6,074,496,966	-	-	2,071,546,140,780
Total cost of acquisition of fixed assets	68,439,103,043	402,632,621,184	157,365,463,938	7,170,787,507	3,754,989,000	-	639,362,964,672
Segment assets	158,069,081,993	3,488,491,597,411	516,804,211,714	272,892,279,888	235,918,973,148	(349,181,862,884)	4,322,994,281,270
Assets not allocated	-	5,700,087,827	-	-	-	-	5,700,087,827
Total assets	158,069,081,993	3,494,191,685,238	516,804,211,714	272,892,279,888	235,918,973,148	(349,181,862,884)	4,328,694,369,097
Segment liabilities	83,063,869,420	1,990,994,666,070	386,268,752,813	210,925,263,612	160,719,350,062	(349,181,862,884)	2,482,790,039,093
Liabilities are not allocated	-	387,294,247	-	-	-	-	387,294,247
Total liabilities	83,063,869,420	1,991,381,960,317	386,268,752,813	210,925,263,612	160,719,350,062	(349,181,862,884)	2,483,177,333,340

The geographical area is determined based on the management decentralization between enterprises and branches (dependent accounting units) of the Company.

44. 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 2019 VND	Year 2018 VND
Loans			8,370,000,000
Nguyen Thi Kiem Oanh	Stakeholder	-	8,370,000,000

Outstanding balances up to the reporting date are as follows:

	Relation	31/12/2019 VND	01/01/2019 VND
Short-term loan receivable			8,370,000,000
Nguyen Thi Kiem Oanh	Stakeholder	-	8,370,000,000
Other short-term receivables		210,000,000	-
Chanh Phu Hoa Construction and Investment Joint Stock Company	Other investment	210,000,000	-

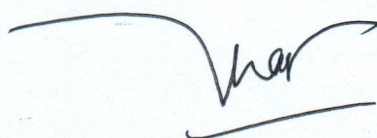
Transactions with other related parties:

	Year 2019 VND	Year 2018 VND
Income of the General Director	888,574,000	972,000,000
Remuneration to members of Board of Management and Board of General Directors	4,701,411,190	5,125,836,893

45. COMPARATIVE FIGURES

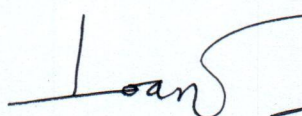
The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 December 2018, which was audited by AASC Auditing Firm.

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 25 March 2020

General Director



LE VAN THAO