

**SEPARATE FINANCIAL STATEMENTS**

**PHU TAI JOINT STOCK COMPANY**

For the fiscal year ended as at 31 December 2019

(Audited)





**CONTENTS**

	Page
Report of the Board of General Directors	02 - 03
Independent Auditors' Report	04 - 05
Audited Separate Financial Statements	06 - 56
Separate Statement of Financial position	06 - 08
Separate Statement of Income	09
Separate Statement of Cash flows	10 - 11
Notes to Separate Financial statements	12 - 56

100  
C  
RACH  
HAN  
DAI



## **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 Separate 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 operates under the Business Registration Certificate and Tax Registration Certificate No. 4100259236, firstly issued on 30 December 2004 and amended for the 25<sup>th</sup> time on 25 July 2018.

The Company’s head office is located at No. 278 Nguyen Thi Dinh Street - 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 01/08/2019)

### **AUDITORS**

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

### **STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS**



The Board of General Directors is responsible for the Separate 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 year. In preparing those Separate 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 Separate 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 Separate Financial Statements;
- Prepare the Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Separate Financial Statements on the 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 Separate Financial Statements comply with the current State's regulations. 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 Separate Financial Statements give a true and fair view of the financial position at 31 December 2019, its operation results and cash flows in the year 2019 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 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: 250320.007/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 Separate Financial Statements of Phu Tai Joint Stock Company prepared on 25 March 2020, as set out on pages 06 to 56, including: Separate Statement of Financial position as at 31 December 2019, Separate Statement of Income, Separate Statement of Cash flows and Notes to Separate 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 Separate Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

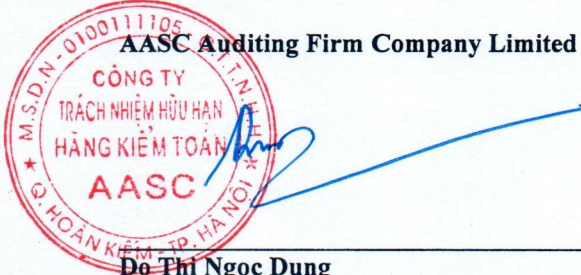
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of Separate 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 Separate 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 Separate 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 Financial Statements.



---

**Đo Thị Ngọc Dung**  
Deputy General Director  
Registered Auditor No.: 0659-2018-002-1  
*Ha Noi, 25 March 2020*

---

**Nguyen Duy Quang**  
Auditor  
Registered Auditor No.: 3363-2020-002-1





## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Code	ASSETS	Note	31/12/2019 VND	01/01/2019 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,107,726,201,486</b>	<b>1,843,737,056,613</b>
110	I. Cash and cash equivalents	3	91,303,462,046	38,190,697,548
111	1. Cash		91,303,462,046	38,190,697,548
120	II. Short-term investments	4	50,450,000,000	157,549,278,166
121	1. Trading securities		450,000,000	450,000,000
123	2. Held-to-maturity investments		50,000,000,000	157,099,278,166
130	III. Short-term receivables		1,077,209,716,685	887,149,866,598
131	1. Short-term trade receivables	5	547,563,182,061	501,719,662,595
132	2. Short-term prepayments to suppliers	6	22,312,588,766	44,713,406,776
135	3. Short-term loan receivable	7	496,708,812,330	330,028,225,166
136	4. Other short-term receivables	8	17,206,376,157	14,986,090,866
137	5. Provision for short-term doubtful debts		(6,581,242,629)	(4,297,518,805)
140	IV. Inventories	10	747,265,894,008	671,394,938,859
141	1. Inventories		747,265,894,008	671,394,938,859
150	V. Other short-term assets		141,497,128,747	89,452,275,442
151	1. Short-term prepaid expenses	11	21,493,290,711	25,241,351,927
152	2. Deductible VAT		119,932,144,236	63,588,953,552
153	3. Taxes and other receivables from State budget	16	71,693,800	621,969,963



## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

Code	ASSETS	Note	31/12/2019 VND	01/01/2019 VND
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,600,895,326,911</b>	<b>1,259,053,183,515</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>10,236,233,670</b>	<b>5,092,785,203</b>
216	1. Other long-term receivables	8	10,236,233,670	5,092,785,203
<b>220</b>	<b>II. Fixed assets</b>		<b>921,250,443,236</b>	<b>731,930,391,686</b>
221	1. Tangible fixed assets	12	907,785,480,487	716,618,793,655
222	- Historical cost		1,523,118,686,610	1,217,172,613,046
223	- Accumulated depreciation		(615,333,206,123)	(500,553,819,391)
227	2. Intangible fixed assets	13	13,464,962,749	15,311,598,031
228	- Historical cost		24,649,066,803	24,649,066,803
229	- Accumulated amortization		(11,184,104,054)	(9,337,468,772)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>19,107,829,544</b>	<b>70,231,066,669</b>
242	1. Construction in progress	14	19,107,829,544	70,231,066,669
<b>250</b>	<b>IV. Long-term investments</b>	4	<b>520,021,004,008</b>	<b>367,257,309,766</b>
251	1. Investments in subsidiaries		517,757,475,243	363,157,475,243
253	2. Equity investments in other entities		4,200,000,000	4,200,000,000
254	3. Provision for devaluation of long-term		(1,936,471,235)	(100,165,477)
<b>260</b>	<b>V. Other long-term assets</b>		<b>130,279,816,453</b>	<b>84,541,630,191</b>
261	1. Long-term prepaid expenses	11	129,432,886,561	83,869,237,187
262	2. Deferred income tax assets	35	846,929,892	672,393,004
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,708,621,528,397</b>	<b>3,102,790,240,128</b>



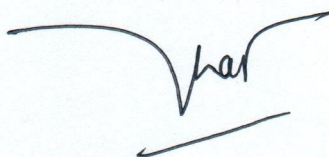
## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

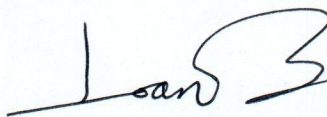
Code	CAPITAL	Note	31/12/2019 VND	01/01/2019 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,980,802,770,900</b>	<b>1,535,279,129,068</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,847,407,082,274</b>	<b>1,456,767,793,047</b>
311	1. Short-term trade payables	15	323,477,101,300	259,993,880,985
312	2. Short-term prepayments from customers	18	15,970,909,017	9,125,523,509
313	3. Taxes and other payables to State budget	16	67,569,930,793	34,919,223,784
314	4. Payables to employees		27,974,101,551	32,323,702,841
315	5. Short-term accrued expenses	19	11,419,977,865	6,791,900,789
319	6. Other short-term payables	20	8,187,235,796	7,036,771,068
320	7. Short-term borrowings and finance lease liabilities	17	1,356,953,419,632	1,068,378,216,727
321	8. Provisions for short-term payables	21	4,405,733,967	4,647,971,217
322	9. Bonus and welfare fund		31,448,672,353	33,550,602,127
<b>330</b>	<b>II. Non- current liabilities</b>		<b>133,395,688,626</b>	<b>78,511,336,021</b>
337	1. Other long-term payables	20	3,962,083,329	3,972,039,330
338	2. Long-term borrowings and finance lease liabilities	17	125,338,730,975	70,590,395,060
342	3. Provisions for long-term payables	21	4,094,874,322	3,948,901,631
<b>400</b>	<b>D. EQUITY</b>		<b>1,727,818,757,497</b>	<b>1,567,511,111,060</b>
<b>410</b>	<b>I. Owner's equity</b>	<b>22</b>	<b>1,727,818,757,497</b>	<b>1,567,511,111,060</b>
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		161,624,725,852	161,624,725,852
414	3. Other capital		750,055,307,222	550,322,839,480
415	4. Treasury stocks		(82,808,934,273)	-
421	5. Retained earnings		412,953,248,696	369,569,135,728
421b	Retained earnings of the current year		412,953,248,696	369,569,135,728
<b>440</b>	<b>TOTAL CAPITAL</b>		<b>3,708,621,528,397</b>	<b>3,102,790,240,128</b>

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan



Binh Dinh, 25 March 2020

General Director

LE VAN THAO

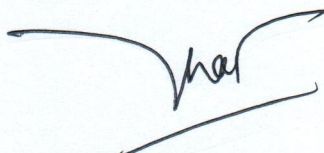


## SEPARATE STATEMENT OF INCOME

Year 2019

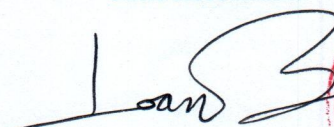
Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
01	1. Revenues from sales of goods and rendering of services	24	2,823,037,976,759	2,609,065,473,834
02	2. Revenue deductions	25	32,967,894	-
10	3. Net revenues from sales of goods and rendering of services	26	2,823,005,008,865	2,609,065,473,834
11	4. Cost of goods sold	27	2,109,596,555,091	2,015,982,465,212
20	5. Gross profit from sales of goods and rendering of services		713,408,453,774	593,083,008,622
21	6. Financial income	28	105,637,137,241	98,766,164,573
22	7. Financial expense	29	86,621,413,966	59,582,359,523
23	<i>In which : Interest expense</i>		81,478,185,922	52,209,496,249
25	8. Selling expense	30	132,473,542,248	109,346,321,087
26	9. General and administrative expense	31	122,743,129,516	96,938,379,169
30	10. Net profit from operating activities		477,207,505,285	425,982,113,416
31	11. Other income	32	2,846,204,628	3,344,349,269
32	12. Other expense	33	2,853,567,852	4,935,459,659
40	13. Other profit		(7,363,224)	(1,591,110,390)
50	14. Total net profit before tax		477,200,142,061	424,391,003,026
51	15. Current corporate income tax expense	34	64,421,430,253	55,000,781,565
52	16. Deferred corporate income tax expense	35	(174,536,888)	(178,914,267)
60	17. Profit after corporate income tax		<u>412,953,248,696</u>	<u>369,569,135,728</u>

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 25 March 2020

General Director



LE VAN THAO



## SEPARATE STATEMENT OF CASH FLOWS

Year 2019  
(Indirect method)

Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	<b>1. Profit before tax</b>		<b>477,200,142,061</b>	<b>424,391,003,026</b>
	<b>2. Adjustment for:</b>		<b>112,760,851,738</b>	<b>78,660,529,662</b>
02	- Depreciation of fixed assets and amortization		128,132,316,232	118,906,942,366
03	- Provisions		4,023,765,023	(5,691,402,557)
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currencies		(527,417,932)	(1,320,771,800)
05	- Gains / losses from investment		(100,345,997,507)	(85,443,734,596)
06	- Interest expense		81,478,185,922	52,209,496,249
08	<b>3. Operating profit before changes in working capital</b>		<b>589,960,993,799</b>	<b>503,051,532,688</b>
09	- Increase or decrease in receivables		(90,487,471,753)	(168,665,511,641)
10	- Increase or decrease in inventories		(75,870,955,149)	(173,899,298,246)
11	- Increase or decrease in payables (excluding interest payable, corporate income tax payable)		59,992,742,349	111,841,297,489
12	- Increase or decrease in prepaid expenses		(43,709,069,849)	(9,708,794,192)
13	- Increase or decrease in trading securities		-	11,611,200,000
14	- Interest paid		(80,203,083,997)	(52,123,432,343)
15	- Corporate income tax paid		(32,216,293,565)	(43,222,642,584)
17	- Other payments on operating activities		(20,580,386,560)	(24,453,944,165)
20	<b>Net cash flow from operating activities</b>		<b>306,886,475,275</b>	<b>154,430,407,006</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(250,822,415,904)	(236,975,847,476)
22	2. Proceeds from disposals of fixed assets and other long-term assets		3,704,363,367	7,248,036,981
23	3. Loans and purchase of debt instruments from other entities		(2,360,631,913,886)	(1,391,051,341,799)
24	4. Collection of loans and resale of debt instrument of other entities		2,301,050,604,888	1,137,006,945,536
25	5. Equity investments in other entities		(154,478,000,000)	(124,200,000,000)
27	6. Interest and dividend received		98,245,670,211	85,067,052,074
30	<b>Net cash flow from investing activities</b>		<b>(362,931,691,324)</b>	<b>(522,905,154,684)</b>

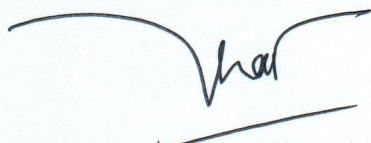


## SEPARATE STATEMENT OF CASH FLOWS

Year 2019  
(Indirect method)  
(Continued)

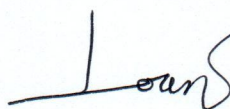
Code ITEMS	Note	Year 2019	Year 2018
		VND	VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Proceeds from issuance of shares and receipt of contributed capital	-	226,614,890,000
32	2. Returns capital to owners, repurchase stocks issued of the enterprise	(82,808,934,273)	-
33	3. Proceeds from borrowings	3,961,708,559,295	2,900,513,348,682
34	4. Repayment of principal	(3,618,385,020,475)	(2,722,385,807,175)
36	5. Dividends or profits paid to owners	(151,356,624,000)	(32,387,823,000)
40	<i>Net cash flow from financing activities</i>	<i>109,157,980,547</i>	<i>372,354,608,507</i>
50	Net cash flows in the year	53,112,764,498	3,879,860,829
60	Cash and cash equivalents at the beginning of	38,190,697,548	34,310,836,719
70	Cash and cash equivalents at the end of the year	91,303,462,046	38,190,697,548

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 25 March 2020  
General Director



LE VAN THAO



## NOTES TO SEPARATE FINANCIAL STATEMENTS

Year 2019

### 1. GENERAL INFORMATION OF THE COMPANY

#### Form of ownership

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 operates under the Business Registration Certificate and Tax Registration Certificate No. 4100259236, firstly issued on 30 December 2004 and amended for the 25<sup>th</sup> time on 25 July 2018.

The Company's charter capital is VND 485,994,410,000 (In words: Four hundred eighty five billion, nine hundred ninety four million, four hundred ten thousand Vietnam dong), 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.

#### Corporate structure

The Company's member entities are as follows:

Name of member entities	Address	Main business activities
Basalt and Granite Processing Plant in Dak Nong 380 Enterprise	Dak R'Lap District, Dak Nong Province Quy Nhon City	Exploiting and processing stone  Manufacturing and trading stone products
Thang Loi Enterprise	Tuy Phuoc District, Binh Dinh Province	Manufacturing and trading wood products
Nhon Hoa Construction Material Production Enterprise Branch in Ho Chi Minh City Branch in Gia Lai Province <sup>[1]</sup>	An Nhon District, Binh Dinh Province Ho Chi Minh City Kong Chro District, Gia Lai Province	Exploiting and processing stone  Trading wood products Exploiting and processing stone
Granite Processing Plant in Khanh Hoa Province Branch in Binh Duong Province	Van Ninh District, Khanh Hoa Province Di An Town, Binh Duong Province	Exploiting and processing stone  Trading stone products
Granite Processing Plant in Dong Nai Province	Nhon Trach District, Dong Nai Province	Processing and trading stone
Granite Processing Plant in Hung Yen	Van Lam District, Hung	Processing and trading stone



<u>Name of member entities</u>	<u>Address</u>	<u>Main business activities</u>
Province	Yen Province	
Granite Processing Plant in Binh Dinh Province	Phu Cat District, Binh Dinh Province	Processing and trading stone
Phu Cat Wood Processing Plant	Phu Cat District, Binh Dinh Province	Processing and trading wood products
Granite Processing Factory in Dien Tan, Khanh Hoa Province	Dien Tan District, Khanh Hoa Province	Exploiting and processing stone
Stone exploiting Enterprise in Khanh Hoa Province <sup>(ii)</sup>	Dien Tan District, Khanh Hoa Province	Exploiting and processing stone
Stone exploiting Enterprise in Binh Dinh Province <sup>(ii)</sup>	Phu Cat District, Binh Dinh Province	Exploiting and processing stone
Stone exploiting Enterprise in Dak Nong Province <sup>(ii)</sup>	Dak R'Lap District, Dak Nong Province	Exploiting and processing stone
Stone exploiting Enterprise in Van Ninh Province <sup>(ii)</sup>	Van Ninh District, Khanh Hoa Province	Exploiting and processing stone
Granite Processing Factory in Long My <sup>(ii)</sup>	Quy Nhon city, Binh Dinh Province	Processing and trading stone

In which:

<sup>(i)</sup> The Branch in Gia Lai Province completed procedures for closing its tax code.

<sup>(ii)</sup> Stone Exploiting Enterprise in Khanh Hoa; Stone Exploiting Enterprise in Binh Dinh; Stone Exploiting enterprise in Dak Nong; Stone Exploiting Enterprise in Van Ninh and Processing Factory in Long My were established according to Decision No. 151/QD-HDQT dated December 3, 2018; Decision No. 154/QD-HDQT dated December 3, 2018; Decision 08/QD-HDQT January 12, 2019; Decision No. 110/QD-HDQT dated September 3, 2019 and Decision 52/QD-HDQT dated May 16, 2019 of the Board of Directors of Phu Tai Joint Stock Company. These enterprises have been put into operation in 2019.

Information of Subsidiaries of the Company is provided in Note 04.

## **2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1. Accounting year and accounting currency**

Annual accounting year 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 and 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.

#### *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 in accordance with regulations of each standard and supplementary documents as well as with current Accounting Standards and Accounting System.



### 2.3. Basis for preparation of Separate Financial Statements

Separate Financial Statements are presented based on historical cost principle.

Separate Financial Statements of the Company are prepared based on summarization of the financial statements of the independent accounting entities and the head office of the Company.

In the Separate Financial Statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payables are eliminated in full.

The Users of this Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Company and its subsidiaries (the "Group") for the fiscal year ended as at 31 December 2019 in order to gain enough information regarding the financial position, operating results and cash flows of the Group.

### 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 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 the 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 the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the 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 makes payments.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Separate 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 the 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, 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. 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.

*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.

*Investments in subsidiaries* are initially recognized in the ledger at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of 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 devaluation of investments is made at the end of the year 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.
- With regard to investments in subsidiaries: the provision shall be made based on the Financial Statements of subsidiaries at the provision date. The provision for devaluation of investments shall be made when the investee incurs losses, except for losses expected in the investment plan.
- 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 provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

## 2.8. Receivables

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

## 2.9. Inventories

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

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

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

## 2.10. 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, structures	06 - 30 year
- Machinery, equipment	04 - 10 year
- Vehicles, Transportation equipment	06 - 12 year
- Office equipment and furniture	03 - 08 year
- Site preparation expenses	10 - 25 year
- Mining rights	10 - 25 year

## 2.11. 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.

## 2.12. 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.

## 2.13. Prepaid expenses

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

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



#### 2.14. Payables

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

#### 2.15. Borrowings

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

#### 2.16. Borrowing costs

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

#### 2.17. Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting year, 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 year.

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

#### 2.18. Provision for payables

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

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

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

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

Cost of environmental restoration for the mines is recorded based on total estimated cost of environmental restoration which has been approved by the authorized authorities. This method is aimed to ensure the matching convention between revenues and expenses and to avoid a large fluctuation in expenses for the period when the environmental restoration is carried out.

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



## 2.19. 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.

Treasury shares are shares issued and bought-back by the issuing company itself. Treasury shares are uncanceled and shall be re-issued within the period as regulated by the law on securities. Treasury shares shall be recorded at the actual buyback price and presented on the Statement of Financial position as a decrease in owner's equity. Cost of Treasury shares when being re-issued or used to pay dividend, bonus, etc. shall be calculated using the weighted average method.

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 appropriates the following funds from its net profit after tax at the proposal of the Board of Management and is approved by the shareholders at the Annual General Meeting of Shareholders:

- 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 Separated 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.

## 2.20. 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 reporting date 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; and
- The amount of the revenue can be measured reliably.

Dividend income is recognized when the Company is entitled to receive dividends or profit from the capital contribution.

**2.21. 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).

**2.22. Cost of goods sold**

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

**2.23. Financial expenses**

Items recorded into financial expenses comprise:

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

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

**2.24. Corporate income tax**

a) **Deferred income tax asset**

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

Deferred income tax asset 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 accounting year.

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

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



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

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

**c) Tax incentives**

According to the Investment Certificate 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 corporate income tax in the next 4 years for the taxable income of Granite Processing Plant in Dong Nai, Binh Dinh 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 Hung Yen and Binh Dinh Province is exempt from corporate income tax.; and 2018 is the first year the wood processing factory in Binh Dinh 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.

**2.25. 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, subsidiaries and associates;
- 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 on.

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

**2.26. Segment information**

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

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



**3. CASH AND CASH EQUIVALENTS**

	31/12/2019	01/01/2019
	VND	VND
Cash on hand	3,014,509,858	2,762,613,450
Demand deposits	88,288,952,188	35,428,084,098
	<b><u>91,303,462,046</u></b>	<b><u>38,190,697,548</u></b>

**4. 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 <sup>(i)</sup>	50,000,000,000	-	157,099,278,166	-
	<b><u>50,000,000,000</u></b>	<b><u>-</u></b>	<b><u>157,099,278,166</u></b>	<b><u>-</u></b>

<sup>(i)</sup> As at 31 December 2018, 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
Investments in stock:				
- MB Property Joint Stock Company <sup>(i)</sup>	450,000,000	-	450,000,000	-
	<b><u>450,000,000</u></b>	<b><u>-</u></b>	<b><u>450,000,000</u></b>	<b><u>-</u></b>

<sup>(i)</sup> 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) Investments in other companies

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>Investments in subsidiaries</b>	<b>517,757,475,243</b>	<b>(1,936,471,235)</b>	<b>363,157,475,243</b>	<b>(100,165,477)</b>
- Phu Yen Construction Materials Joint Stock	9,620,700,000	-	9,620,700,000	-
- Tuan Dat Minerals One-member Company	10,700,000,000	-	10,700,000,000	-
- Universal Stone Joint Stock Company	6,000,000,000	(1,936,471,235)	6,000,000,000	(100,165,477)
- Vina G7 Joint Stock	41,877,750,000	-	41,877,750,000	-
- Toyota Binh Dinh One-member Company	25,309,025,243	-	25,309,025,243	-
- Toyota Da Nang One-member Company	70,000,000,000	-	70,000,000,000	-
- Phu Tai Dong Nai One-member Company	45,000,000,000	-	45,000,000,000	-
- Granite Manufacturing Company Limited	34,650,000,000	-	34,650,000,000	-
- Phu Tai Real Estate Co., Ltd <sup>(i)</sup>	100,000,000,000	-	90,000,000,000	-
- Thanh Chau Phu Yen Granite Company Limited	30,000,000,000	-	30,000,000,000	-
- Son Phat Production and Trading Company Limited <sup>(ii)</sup>	39,600,000,000	-	-	-
- Phu Tai Ninh Thuan Stone Joint Stock Company <sup>(iii)</sup>	5,000,000,000	-	-	-
- Phu Tai Quartz Stone Company Limited <sup>(iv)</sup>	100,000,000,000	-	-	-
<b>Investments in other companies</b>	<b>4,200,000,000</b>	<b>-</b>	<b>4,200,000,000</b>	<b>-</b>
- Chanh Phu Hoa Constructing Investment Joint Stock Company	4,200,000,000	-	4,200,000,000	-
	<b>521,957,475,243</b>	<b>(1,936,471,235)</b>	<b>367,357,475,243</b>	<b>(100,165,477)</b>

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.

**Reason for change for each investment in subsidiaries:**

<sup>(i)</sup> According to Decision No. 56/QD-HDQT dated 20 April 2018 of the Board of Management, the Company has completed procedures to establish Phu Tai Real Estate One-member Company Limited with charter capital of VND 100,000,000,000. As at 31 December 2019, The company has fully contributed to the above mentioned capital.

<sup>(ii)</sup> According to Decision No. 40/QD-HDQT dated March 26, 2019 of the Board of Management, the Company completed the procedures to buy 99% of shares in Son Phat Trading and Production Co., Ltd, equivalent to total value of VND 28,710,000,000; The investment cost of these shares is VND 39,600,000,000.

<sup>(iii)</sup> According to Decision No. 157/QD-HDQT dated December 5, 2018 of the Board of Management, the Company completed the procedures to repurchase 98% of the shares in Phu Tai Ninh Thuan Stone Joint Stock Company,



equivalent to total amount of VND 4,900,000,000; The investment cost of these shares is VND 5,000,000,000.

(iv) According to Decision No. 79/QD-HDQT dated June 06, 2019 of the Board of Management, the Company completed the procedures to establish Phu Tai Quartz Stone One Member Company Limited with the charter capital of VND 100,000,000,000. By December 31, 2019, the Company has fully contributed the above charter capital.

**Major transactions between the Company and the Company's Subsidiaries:** See details in Note 41.

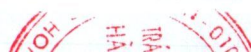
**Investments in other companies**

<u>Name of companies</u>	<u>Place of establishment and operation</u>	<u>Rate of interest</u>	<u>Rate of voting</u>	<u>Principal activities</u>
Chanh Phu Hoa Constructing Investment Joint Stock	Thu Dau Mot City, Binh Duong Province	0.85%	0.85%	Constructing and trading real estate



5. SHORT-TERM TRADE RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large balances</b>				
- 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	-
- B and Q PLC	14,713,829,868	-	15,151,536,305	-
- Bricostore	2,039,196,588	-	12,662,515,514	-
- The Anh Transport Service and Trading Co., Ltd	11,897,965,983	-	12,853,639,928	-
- FLC Faros Construction JSC	3,524,050,195	-	12,351,278,759	-
- Vina G7 Joint Stock Company	8,150,991,170	-	7,978,416,779	-
- Anh Kim Co., Ltd	9,488,052,293	-	4,851,975,035	-
- Granitas Granit	5,612,079,775	-	3,774,724,472	-
- Phu Tai Dong Nai One- member Company Limited	13,778,891,976	-	1,624,535,454	-
- Royal Can Tho One- member Company Limited Branch	7,290,918,930	-	4,113,984,920	-
- Others	330,913,891,511	(5,994,525,606)	244,360,340,875	(3,710,801,782)
	<b>547,563,182,061</b>	<b>(5,994,525,606)</b>	<b>501,719,662,595</b>	<b>(3,710,801,782)</b>
<b>b) Trade receivables from related parties</b> (See details in Note 41)	<b>32,761,613,533</b>	-	<b>13,962,690,042</b>	-





**6. SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term prepayments to suppliers detailed by suppliers with large balances</b>				
- Tan Dai Phu Manufacturing and Trading Co. Ltd	-	-	12,663,541,400	-
- Sherng Yuan Machinery Co. Ltd	-	-	4,513,166,240	-
- Chamundi Natural Stones	3,687,169,039	-	3,687,169,040	-
- Muradir	1,029,010,769	-	3,466,071,217	-
- JAF Globle	1,175,078,571	-	-	-
- Others	16,421,330,387	(586,717,023)	20,383,458,879	(586,717,023)
	<b>22,312,588,766</b>	<b>(586,717,023)</b>	<b>44,713,406,776</b>	<b>(586,717,023)</b>
<b>b) Short-term prepayments to related parrties</b>				
	-	-	991,981	-

(See details in Note 41)



7. SHORT- TERM LOAN RECEIVABLE

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term loan receivables detailed by customers with large balances</b>				
- Granite Manufacturing Company Limited	123,071,644,438	-	137,015,480,462	-
- Phu Tai Dong Nai One-member Company Limited	12,609,730,855	-	53,800,400,000	-
- Toyota Da Nang One-member Company Limited	140,623,329,010	-	46,319,153,963	-
- Tuan Dat Minerals One-member Company Limited	44,255,960,794	-	41,822,427,525	-
- Universal Stone Joint Stock Company	8,087,327,145	-	12,000,000,000	-
- Toyota Binh Dinh One-member Company Limited	43,963,719,601	-	11,774,763,216	-
- Thanh Chau Phu Yen Granite Company Limited	10,072,420,886	-	-	-
- Phu Tai Ninh Thuan Stone Joint Stock Company	3,490,294,769	-	-	-
- Phu Tai Quartz Stone Company Limited	27,669,160,989	-	-	-
- Phu Tai Real Estate Co., Ltd	31,024,047,890	-	-	-
- Son Phat Production and Trading Company Limited	42,341,175,953	-	-	-
- Vina G7 Joint Stock Company	9,500,000,000	-	9,500,000,000	-
- Mrs. Nguyen Thi Thanh	-	-	9,426,000,000	-
- Mrs. Nguyen Thi Kiem Oanh	-	-	8,370,000,000	-
	<b>496,708,812,330</b>	<b>-</b>	<b>330,028,225,166</b>	<b>-</b>
<b>b) Short-term loan receivables from related parties</b>	<b>496,708,812,330</b>	<b>-</b>	<b>320,602,225,166</b>	<b>-</b>

(See details in Note 41)

As at 31 December 2019, all receivables for short-term loans are those that the Company lends to subsidiaries under short-term loan contracts with a loan term of 12 months, floating interest rates. According to the interest rate of the banks that the Company has borrowed activities, the purpose of lending is for subsidiaries to serve production and business activities.



**8. OTHER RECEIVABLES**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term</b>				
Deposits, collateral	2,158,840,432	-	-	-
Advances to employees	9,539,655,924	-	10,815,327,911	-
Other receivables	5,507,879,801	-	4,170,762,955	-
- <i>Deposit interest receivable</i>	350,684,932	-	2,733,941,807	-
- <i>Loan interest receivable</i>	3,844,634,500	-	-	-
- <i>Receivables from social insurance, health insurance, unemployment</i>	905,958,555	-	540,933,061	-
- <i>Others</i>	406,601,814	-	895,888,087	-
	<b>17,206,376,157</b>	<b>-</b>	<b>14,986,090,866</b>	<b>-</b>
<b>b) Long-term</b>				
Collateral, deposits	7,080,198,081	-	3,274,734,614	-
- <i>Environmental restoration deposits<sup>(i)</sup></i>	6,118,218,581	-	3,229,734,614	-
- <i>Contract deposits</i>	961,979,500	-	45,000,000	-
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	-
	<b>10,236,233,670</b>	<b>-</b>	<b>5,092,785,203</b>	<b>-</b>
<b>c) Other receivables from related parties</b>	<b>4,246,975,478</b>	<b>-</b>	<b>1,501,501,313</b>	<b>-</b>

(See details in Note 41)

<sup>(i)</sup> This is the deposits for environmental restoration after mining, which the company paid according to the Decision No. 18/2013/QD-TTg by the Prime Minister 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
Tan Cuong Co., Ltd	1,175,007,342	235,001,595	1,175,007,342	587,503,798
Vuong Minh Production and Trading Company Limited	1,485,605,000	1,039,923,500	-	-
Cattie Europa S.L	839,879,767	-	839,879,767	-
Trung Nam Investment and Construction JSC	548,933,015	-	548,933,015	-
Ha Binh Co., Ltd	668,552,930	-	668,552,930	-
Binh Dinh Granite Co., Ltd	507,016,559	-	507,016,559	-
Chinh Truong Stone Quarry Co., Ltd	586,717,023	-	586,717,023	-
Others	2,416,750,479	372,294,391	678,293,578	119,377,611
	<b>8,228,462,115</b>	<b>1,647,219,486</b>	<b>5,004,400,214</b>	<b>706,881,409</b>

### 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	308,230,317,414	-	295,030,641,773	-
Tools, supplies	15,760,750	-	52,281,643	-
Work in process	367,602,947,365	-	271,529,091,754	-
Finished goods	44,016,039,345	-	18,276,630,743	-
Goods	26,359,234,815	-	69,100,435,908	-
	<b>747,265,894,008</b>	<b>-</b>	<b>671,394,938,859</b>	<b>-</b>



11. PREPAID EXPENSES

	31/12/2019	01/01/2019
	VND	VND
<b>a) Short-term</b>		
- Mining expenses	2,485,525,750	8,933,084,261
- Tools and supplies awaiting for allocation	11,913,281,942	8,443,985,836
- Expenditure on fixing machinery, equipment, factories	2,189,737,920	3,084,249,782
- Insurance expenses	3,364,497,773	1,613,367,165
- Other short-term prepaid expenses	1,540,247,326	3,166,664,883
	<b>21,493,290,711</b>	<b>25,241,351,927</b>
<b>b) Long-term</b>		
- Land and infrastructure rental expenses of Granite Processing Plant in Hung Yen Province <sup>(i)</sup>	30,203,301,329	31,089,461,759
- Land and infrastructure rental expenses of Phu Cat Wood Processing Plant in Binh Dinh Province <sup>(ii)</sup>	16,064,013,317	17,071,334,578
- Land and infrastructure rental expenses of Granite Processing Plant in Binh Dinh Province <sup>(iii)</sup>	12,343,301,201	6,752,419,130
- Expenses for the right to use leased land in Dien Tan, Dien Khanh, Khanh Hoa Province pending allocation	10,958,585,859	11,018,000,000
- Land rental expenses and maintenance of Phu Cat Industrial Park <sup>(iv)</sup>	9,919,007,556	-
- Infrastructure rental expenses of Long My Factory, Binh Dinh Province <sup>(v)</sup>	8,333,333,762	-
- Tools and supplies awaiting for allocation	14,148,253,396	6,137,986,065
- Mining expenses	12,910,013,268	3,403,763,147
- Expenditure on overhaul of machinery, equipment, factories	9,183,598,723	3,231,486,156
- Other long-term prepaid expenses	5,369,478,150	5,164,786,352
	<b>129,432,886,561</b>	<b>83,869,237,187</b>

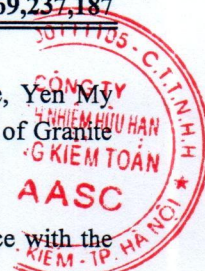
<sup>(i)</sup> This is the rental of land use right accompanying with infrastructure in Pho Noi A Industrial Zone, Yen My District, Hung Yen Province with the total area of 21,062 m<sup>2</sup> until 15 January 2054 for the construction of Granite Processing Plant in Hung Yen Province.

<sup>(ii)</sup> 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 m<sup>2</sup> until 11 July 2057 for the construction of Phu Cat Wood Processing Plant.

<sup>(iii)</sup> 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 m<sup>2</sup> and 32,439 m<sup>2</sup>, 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.

<sup>(iv)</sup> 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 m<sup>2</sup>, the rental period is 39 years from 2018 serving the expansion of the wood factory.

<sup>(v)</sup> 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 m<sup>2</sup>, the rental period until the end of December 31, 2048 serving the construction of Long My stone processing factory.





12. TANGIBLE FIXED ASSETS

	Buildings, structures VND	Machinery, equipment VND	Vehicles, transportation VND	Office equipment VND	Total VND
<b>Historical cost</b>					
Opening balance	470,255,062,341	583,202,321,552	162,168,970,587	1,546,258,566	1,217,172,613,046
- Purchase in the year	-	137,530,264,992	46,610,013,080	169,801,363	184,310,079,435
- Completed construction investment	134,314,220,352	-	-	-	134,314,220,352
- Liquidation, disposal	-	(8,712,460,309)	(3,965,765,914)	-	(12,678,226,223)
<b>Ending balance</b>	<b><u>604,569,282,693</u></b>	<b><u>712,020,126,235</u></b>	<b><u>204,813,217,753</u></b>	<b><u>1,716,059,929</u></b>	<b><u>1,523,118,686,610</u></b>
<b>Accumulated depreciation</b>					
Opening balance	159,911,472,502	256,934,840,058	82,161,248,265	1,546,258,566	500,553,819,391
- Depreciation for the year	49,150,252,997	56,154,593,891	19,066,977,066	20,375,305	124,392,199,259
- Liquidation, disposal	-	(6,817,307,837)	(2,795,504,690)	-	(9,612,812,527)
<b>Ending balance</b>	<b><u>209,061,725,499</u></b>	<b><u>306,272,126,112</u></b>	<b><u>98,432,720,641</u></b>	<b><u>1,566,633,871</u></b>	<b><u>615,333,206,123</u></b>
<b>Net carrying amount</b>					
Opening balance	310,343,589,839	326,267,481,494	80,007,722,322	-	716,618,793,655
<b>Ending balance</b>	<b><u>395,507,557,194</u></b>	<b><u>405,748,000,123</u></b>	<b><u>106,380,497,112</u></b>	<b><u>149,426,058</u></b>	<b><u>907,785,480,487</u></b>

- At the end of year, the carrying amount of tangible assets used as mortgages and collateral for loans is: VND 238,667,362,663;
- Original cost of fully depreciated tangible fixed assets but still in use at the end of the year is: VND 172,710,302,461.



### 13. INTANGIBLE FIXED ASSETS

	Site preparation expenses	Mining right	Total
	VND	VND	VND
<b>Historical cost</b>			
Opening balance	18,408,889,373	6,240,177,430	24,649,066,803
<b>Ending balance</b>	<b>18,810,962,248</b>	<b>5,838,104,555</b>	<b>24,649,066,803</b>
<b>Accumulated amortization</b>			
Opening balance	9,310,778,422	26,690,350	9,337,468,772
- Depreciation for the year	1,819,944,932	26,690,350	1,846,635,282
<b>Ending balance</b>	<b>11,130,723,354</b>	<b>53,380,700</b>	<b>11,184,104,054</b>
<b>Net carrying amount</b>			
Opening balance	9,098,110,951	6,213,487,080	15,311,598,031
<b>Ending balance</b>	<b>7,680,238,894</b>	<b>5,784,723,855</b>	<b>13,464,962,749</b>

### 14. CONSTRUCTION IN PROGRESS

	31/12/2019	01/01/2019
	VND	VND
<b>Construction in progress</b>	<b>6,337,616,691</b>	<b>63,027,795,542</b>
- Project of expanding Thang Loi Wood Processing Plant in Phuoc Thanh, Tuy Phuoc, Binh Dinh Province <sup>(i)</sup>	-	44,774,307,032
- Project of expanding Binh Dinh Granite Processing Plant in Phu Cat, Binh Dinh Province <sup>(ii)</sup>	-	6,760,522,834
- Project of expanding Long My 2 Granite Processing Plant in Quy Nhon, Binh Dinh Province <sup>(iii)</sup>	6,250,193,169	-
- Other projects	87,423,522	11,492,965,676
<b>Purchase of fixed assets</b>	<b>12,770,212,853</b>	<b>7,203,271,127</b>
- Machinery and equipment for stone exploitation	9,889,209,570	6,784,579,979
- Machinery and equipment for wood	2,881,003,283	418,691,148
	<b>19,107,829,544</b>	<b>70,231,066,669</b>

<sup>(i)</sup> 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 m<sup>2</sup>;
  - + Total area of new construction plant: 20,780 m<sup>2</sup>;
  - + 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 has been completed and put into use in 2019.

<sup>(ii)</sup> 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 m<sup>3</sup> 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 107A / QD-CTHĐQT dated October 30, 2019 of the Chairman of the Board of Directors, the Company conducted the Project of expansion Granite processing factory - Long My 2. Details of the project are as follows:

- Address: Long My Industrial Park, Phuoc My district, Quy Nhon city, Binh Dinh province
- Project scale: 30,075 m<sup>2</sup>;
- Investing purpose: Building a granite processing factory to expand production scale, increasing the capacity from 3,600 m<sup>3</sup>/year to 18,000 m<sup>3</sup>/year;
- Total investment budget: VND 23,945,842,189;
- Implementation time: From November 2019. Expected to go into operation in 2020;
- As at 31 December 2019, the project is still running.



15. SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>a) Trade payables detailed by suppliers with large account balances</b>				
- Mow Brazil Comercial Importadora E Exportadora Ltd	-	-	27,097,223,771	27,097,223,771
- Hoang Giang Company Limited	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
- Scancom 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	12,627,680,050	12,627,680,050	8,124,249,500	8,124,249,500
- Phuoc Long Import Export Trading Co., Ltd	6,583,338,343	6,583,338,343	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
- Quang Trung Engineering and Construction JSC	2,164,878,293	2,164,878,293	5,222,072,486	5,222,072,486
- HK Binh Thach Manufacturing and Trading Co., Ltd	6,649,960,125	6,649,960,125	5,809,387,550	5,809,387,550
- Hoang Tam Co., Ltd	2,998,620,386	2,998,620,386	4,768,059,714	4,768,059,714
- Vu Tin International Trading Co., Ltd	20,560,707,515	20,560,707,515	2,196,930,800	2,196,930,800
- Others	228,351,748,284	228,351,748,284	133,700,078,640	133,700,078,640
	<b>323,477,101,300</b>	<b>323,477,101,300</b>	<b>259,993,880,985</b>	<b>259,993,880,985</b>
<b>b) Trade payables to related parties</b>				
(See details in Note 41)	<b>17,176,072,368</b>	<b>17,176,072,368</b>	<b>3,999,548,993</b>	<b>3,999,548,993</b>



16. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Tax receivable at the beginning of	Tax payable at the beginning of year	Tax payable in the year	Tax paid in the year	Tax receivable at the end of	Tax payable at the end of
	VND	VND	VND	VND	VND	VND
Value-added tax	621,969,963	6,321,753,446	83,449,066,610	81,386,665,069	-	7,762,185,024
Export, import duties	-	-	2,574,120,597	2,574,120,597	-	-
Corporate income tax	-	19,198,453,314	64,421,430,253	32,216,293,565	-	51,403,590,002
Personal income tax	-	269,937,030	7,646,293,992	7,743,051,120	-	173,179,902
Natural resource tax	-	1,249,111,001	21,336,320,143	19,966,347,362	-	2,619,083,782
Land tax and land rental	-	71,693,800	3,274,896,288	3,418,283,888	71,693,800	-
Other taxes	-	-	19,500,000	19,500,000	-	-
Fees, charges and other payables	-	7,808,275,193	15,591,137,642	17,787,520,752	-	5,611,892,083
	<b>621,969,963</b>	<b>34,919,223,784</b>	<b>198,312,765,525</b>	<b>165,111,782,353</b>	<b>71,693,800</b>	<b>67,569,930,793</b>

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 separate financial statements could be changed at a later date upon final determination by the tax authorities.



17. BORROWINGS AND FINANCE LEASE LIABILITIES

	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
<b>a) Short-term borrowings</b>						
Short-term borrowings	1,051,978,216,727	1,051,978,216,727	3,838,025,198,006	3,588,078,136,741	1,301,925,277,992	1,301,925,277,992
Current portion of long-term borrowings	16,400,000,000	16,400,000,000	50,928,141,640	12,300,000,000	55,028,141,640	55,028,141,640
	<u>1,068,378,216,727</u>	<u>1,068,378,216,727</u>	<u>3,888,953,339,646</u>	<u>3,600,378,136,741</u>	<u>1,356,953,419,632</u>	<u>1,356,953,419,632</u>
<b>b) Long-term borrowings</b>						
Long-term borrowings	86,990,395,060	86,990,395,060	33,044,702,952	19,506,883,734	100,528,214,278	100,528,214,278
Corporate bonds	-	-	90,638,658,337	10,800,000,000	79,838,658,337	79,838,658,337
	<u>86,990,395,060</u>	<u>86,990,395,060</u>	<u>123,683,361,289</u>	<u>30,306,883,734</u>	<u>180,366,872,615</u>	<u>180,366,872,615</u>
Amount due for settlement within 12 months	(16,400,000,000)	(16,400,000,000)	(50,928,141,640)	(12,300,000,000)	(55,028,141,640)	(55,028,141,640)
Amount due for settlement after 12 month	<u>70,590,395,060</u>	<u>70,590,395,060</u>			<u>125,338,730,975</u>	<u>125,338,730,975</u>



**Detailed information on short-term borrowings**

Details of short-term loans from banks and other organizations and individuals of the Company are as follows:

	Curre ncy	Interest rate/ year	Loan purpose	Loan guarantee	31/12/2019		01/01/2019	
					Original	VND	Original	VND
<b>Short-term borrowings(VND)</b>					<b>864,777,319,674</b>		<b>758,729,538,560</b>	
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	340,271,434,048		319,099,599,326	
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	306,061,686,196		243,322,151,091	
- Military Commercial Joint Stock Bank - Binh Dinh Branch	VND	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	175,974,323,430		96,107,845,831	
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	VND	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	-		13,189,942,312	
- Joint Stock Commercial Bank for Industry and Trade of Vietnam - Phu Tai Industrial Zone Branch	VND	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	26,219,876,000		24,250,000,000	
- Thanh Chau Phu Yen Granite Company Limited	VND	0%/year	For manufacturing and trading	Collateral asset	-		19,760,000,000	
- Phu Tai Real Estate Co., Ltd	VND	0%/year in each loan agreement	For manufacturing and trading operations	Collateral asset	-		43,000,000,000	
- Short-term Personal loans	VND				16,250,000,000		-	



	Curre ncy	Interest rate/ year	Loan purpose	Loan guarantee	31/12/2019		1/1/2019	
					Original	VND	Original	VND
<b>Short-term borrowings(USD)</b>					<b>18,817,737.66</b>	<b>437,147,958,318</b>	<b>12,615,128.44</b>	<b>293,248,678,167</b>
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	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	For manufacturing and trading	Collateral asset <sup>(i)</sup>	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	For manufacturing and trading	Collateral asset <sup>(i)</sup>	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	For manufacturing and trading	Collateral asset <sup>(i)</sup>	3,887,863.82	90,315,076,539	2,440,404.86	56,727,210,971
- Saigon Joint Stock Commercial Bank - Binh Dinh Branch	USD	4,5%/year	For manufacturing and trading	Collateral asset <sup>(i)</sup>	1,900,000.00	44,137,000,000	1,280,000.00	29,760,000,000
- Vietnam Technological and Commercial Joint Stock Bank - Quy Nhon Branch	USD	Floating rate	For manufacturing and trading	Collateral asset <sup>(i)</sup>	5,724,095.00	132,970,726,850	-	-
						<b><u>1,301,925,277,992</u></b>		<b><u>1,051,978,216,727</u></b>



**Detailed information on long-term borrowings**

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

	<u>Loan purpose</u>	<u>Currency</u>	<u>Interest rate/ year</u>	<u>Year of maturity</u>	<u>Loan guarantee</u>	<u>31/12/2019</u> VND	<u>01/01/2019</u> VND
<b>Long-term borrowings</b>							
-	Military Commercial Joint Stock Bank - Serving investment projects Binh Dinh Branch	USD	Floating rate	2022	Collateral asset <sup>(i)</sup>	3,022,715,502	-
-	Military Commercial Joint Stock Bank - Serving investment projects Binh Dinh Branch	VND	Floating rate	2022	Collateral asset <sup>(i)</sup>	8,129,103,716	-
-	Joint Stock Commercial Bank for Serving Investment and Development of Vietnam - investment projects Phu Tai Branch	VND	Floating rate	2022	Collateral asset <sup>(i)</sup>	18,786,000,000	-
-	Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	2023	Collateral asset <sup>(i)</sup>	70,590,395,060	86,990,395,060
-	Bonds issued <sup>(ii)</sup>				Collateral asset <sup>(i)</sup>	79,838,658,337	-
						<b>180,366,872,615</b>	<b>86,990,395,060</b>
Amount due for settlement within 12 months						(55,028,141,640)	(16,400,000,000)
<b>Amount due for settlement after 12 months</b>						<b>125,338,730,975</b>	<b>70,590,395,060</b>

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

<sup>(ii)</sup> During the year, the Company issued bonds under each bond purchase and sale contract. Specifically:

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.



c) Borrowings from related parties:

	Relation	31/12/2019		01/01/2019	
		Original	Interest	Original	Interest
		VND	VND	VND	VND
<b>Borrowings</b>					
- Thanh Chau Phu Yen Granite Company Limited	Subsidiary	-	No interest	19,760,000,000	No interest
- Phu Tai Real Estate Co., Ltd	Subsidiary	-	No interest	43,000,000,000	No interest
		-	-	<b>62,760,000,000</b>	-

18. PREPAYMENT FROM CUSTOMERS

	31/12/2019	01/01/2019
	VND	VND
Dat Phuong Company	1,521,306,744	1,521,306,744
CCST Limited	-	1,015,423,720
Viet Nam Mechanical Service Company Limited	1,390,618,193	506,165,715
Granit Trading	1,039,950,000	-
Transport Joint Stock Company	1,000,000,000	-
Others	11,019,034,080	6,082,627,330
	<b>15,970,909,017</b>	<b>9,125,523,509</b>

19. SHORT-TERM ACCRUED EXPENSES

	31/12/2019	01/01/2019
	VND	VND
Accrued interest expenses	1,951,781,074	246,141,227
Accrued land rental	4,373,340,197	2,322,621,750
Accrued electricity expenses	528,601,964	1,158,156,161
Accrued commission expenses	2,058,041,248	1,007,256,989
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
Others	322,764,806	445,589,450
	<b>11,419,977,865</b>	<b>6,791,900,789</b>



**20. OTHER PAYABLES**

	31/12/2019	01/01/2019
	VND	VND
<b>a) Short-term</b>		
Trade union fee	1,846,060,201	944,589,879
Social insurance	81,075,570	81,028,770
Health insurance	15,041,955	15,030,717
Unemployment insurance	6,149,744	6,142,054
Others	6,238,908,326	5,989,979,648
- Land rental to Financial Department - Ministry of Defence	3,261,351,000	3,261,352,600
- Labour Union, Communist membership fee	902,047,469	952,453,684
- Advances payable to employees	380,062,017	653,180,623
- Donation funds	312,363,577	446,773,577
- Payables to Military zone No. 05	122,000,000	122,000,000
- Dividends payable to Owners	77,682,200	76,095,000
- Allowances payable to employees	29,445,928	28,742,728
- Others	1,153,956,135	449,381,436
	<b>8,187,235,796</b>	<b>7,036,771,068</b>

**b) Long-term**

Long-term deposits, collateral received	3,962,083,329	3,972,039,330
	<b>3,962,083,329</b>	<b>3,972,039,330</b>

**21. PROVISIONS FOR PAYABLES**

	31/12/2019	01/01/2019
	VND	VND
<b>a) Short-term</b>		
- Cost of mineral mining right <sup>(i)</sup>	4,405,733,967	4,647,971,217
	4,405,733,967	4,647,971,217
<b>b) Long-term</b>		
- Cost of environmental restoration	4,094,874,322	3,948,901,631
	4,094,874,322	3,948,901,631
	<b>4,094,874,322</b>	<b>3,948,901,631</b>

<sup>(i)</sup> 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 - KTDCS dated 09 July 2014 of the General Department of Geology and Minerals of Vietnam.



22. OWNERS' EQUITY

a) Changes in owners' equity

	Contributed capital	Share premium	Other capital	Treasury shares	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
<b>Beginning balance of previous year</b>	<b>259,201,940,000</b>	<b>(194,624,148)</b>	<b>437,615,583,082</b>	-	<b>323,267,299,366</b>	<b>1,019,890,198,300</b>
Issues 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	-	-	-	-	369,569,135,728	369,569,135,728
Dividends distributed in the form of cash	-	-	-	-	(32,399,748,000)	(32,399,748,000)
Dividends distributed in the form of share	161,996,930,000	-	1,810,000	-	(161,998,740,000)	-
Other capital	-	-	112,705,446,398	-	(112,705,446,398)	-
Bonus and welfare fund	-	-	-	-	(16,163,364,968)	(16,163,364,968)
Consultancy expenses for issuing shares	-	(169,500,000)	-	-	-	(169,500,000)
<b>Ending balance of previous year</b>	<b>485,994,410,000</b>	<b>161,624,725,852</b>	<b>550,322,839,480</b>	-	<b>369,569,135,728</b>	<b>1,567,511,111,060</b>
Profit of the this year	-	-	-	-	412,953,248,696	412,953,248,696
Dividends distributed in the form of cash	-	-	-	-	(151,358,211,200)	(151,358,211,200)
Other capital	-	-	199,732,467,742	-	(199,732,467,742)	-
Bonus and welfare fund	-	-	-	-	(18,478,456,786)	(18,478,456,786)
Redemption of treasury shares <sup>(i)</sup>	-	-	-	(82,808,934,273)	-	(82,808,934,273)
<b>Ending balance of this year</b>	<b>485,994,410,000</b>	<b>161,624,725,852</b>	<b>750,055,307,222</b>	<b>(82,808,934,273)</b>	<b>412,953,248,696</b>	<b>1,727,818,757,497</b>



(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.

Under the Resolution No. 02/NQ-DHDCD dated 06 April 2018 of the General Meeting of Shareholder, the Company announced the distribution of profit for 2017 as follows:

	Rate %	Amount VND
Net profit after tax year 2018		369,569,135,728
Bonus and welfare fund	5.00%	18,478,456,786
Transfer to other capital	54.04%	199,732,467,742
Dividends distributed in form of cash (equivalent to VND 3,200 per share)	40.96%	151,358,211,200

**b) Details of contributed capital**

	31/12/2019 VND	Rate %	01/01/2019 VND	Rate %
Mr Le Vy	57,624,580,000	11.86%	57,624,580,000	11.86%
Mr Le Van 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%
<b>Total</b>	<b>485,994,410,000</b>	<b>100%</b>	<b>485,994,410,000</b>	<b>100%</b>

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

	Year 2019 VND	Year 2018 VND
<b>Owners' contributed capital</b>		
- 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	<b>485,994,410,000</b>	<b>485,994,410,000</b>
<b>Distributed dividends and profits</b>		
- 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</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</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</i>	<i>-</i>	<i>161,998,740,000</i>
- At the end of the year	<b>77,682,200</b>	<b>76,095,000</b>



d) Shares

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

23. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Outsourced property

The Company signs land lease contracts with the State for the purpose of serving production and business activities in localities where the Company has production and business establishments. Under these contracts, the Company must pay annual land rental until the contract expires in accordance with the current regulations of the State.

b) Foreign currencies

	31/12/2019	01/01/2019
USD	855,362.95	573,142.50
EUR	1,680.89	1,052.25

c) Doubtful debts written-offs

	31/12/2019	01/01/2019
	2,126,477,030	2,126,477,030

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

	Year 2019	Year 2018
	VND	VND
Revenue from sale of goods	2,821,244,919,842	2,606,161,616,535
- <i>Wood products</i>	1,512,346,014,458	1,413,531,402,847
- <i>Stone products</i>	1,274,697,249,889	1,172,308,661,566
- <i>Others</i>	34,201,655,495	20,321,552,122
Revenue from rendering of services	1,793,056,917	2,903,857,299
- <i>Office and factory for lease service</i>	1,793,056,917	2,903,857,299
	<b>2,823,037,976,759</b>	<b>2,609,065,473,834</b>
Revenue from related parties (See details in Note 41)	<b>104,953,873,786</b>	<b>56,044,373,476</b>

25. REVENUE DEDUCTIONS

The revenue deductions generated during the year are returned goods at Ho Chi Minh City with the amount of VND 32,967,894.



**26. NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	Year 2019	Year 2018
	VND	VND
Revenue from sale of goods	2,821,211,951,948	2,606,161,616,535
- <i>Wood products</i>	1,512,313,046,564	1,413,531,402,847
- <i>Stone products</i>	1,274,697,249,889	1,172,308,661,566
- <i>Others</i>	34,201,655,495	20,321,552,122
Revenue from rendering of services	1,793,056,917	2,903,857,299
- <i>Office and factory for lease service</i>	1,793,056,917	2,903,857,299
	<b><u>2,823,005,008,865</u></b>	<b><u>2,609,065,473,834</u></b>

**27. COST OF GOODS SOLD**

	Year 2019	Year 2018
	VND	VND
Cost of goods sold	2,109,484,055,091	2,014,884,737,412
- <i>Wood products</i>	1,248,356,366,481	1,219,213,035,688
- <i>Stone products</i>	827,394,123,522	783,464,095,566
- <i>Others</i>	33,733,565,088	12,207,606,158
Cost of services rendered	112,500,000	1,097,727,800
- <i>Office and factory for lease service</i>	112,500,000	1,097,727,800
	<b><u>2,109,596,555,091</u></b>	<b><u>2,015,982,465,212</u></b>

**28. FINANCIAL INCOME**

	Year 2019	Year 2018
	VND	VND
Interest income	34,348,285,802	25,059,544,496
Gain from disposal of financial investments	-	7,844,265,500
Dividends or profits received	65,358,762,034	59,116,136,500
Gains from exchange rate difference arising during the year	3,300,195,077	3,112,968,087
Foreign exchange gains due to revaluation of year-end balance	820,824,276	1,452,481,677
Deferred sales interest, discount payment	1,809,070,052	2,180,768,313
	<b><u>105,637,137,241</u></b>	<b><u>98,766,164,573</u></b>
<b>Financial income with related parties</b>	<b><u>91,501,505,343</u></b>	<b><u>73,531,677,537</u></b>

(See details in Note 41)



### 29. FINANCIAL EXPENSES

	Year 2019	Year 2018
	VND	VND
Interest expenses	81,478,185,922	52,209,496,249
Foreign exchange losses incurred during the year	3,013,515,942	7,106,955,631
Foreign exchange losses due to revaluation of year-end balance	293,406,344	131,709,877
Provision for devaluation of trading securities and loss of	1,836,305,758	100,165,477
Others	-	34,032,289
	<b>86,621,413,966</b>	<b>59,582,359,523</b>

### 30. SELLING EXPENSES

	Year 2019	Year 2018
	VND	VND
Raw materials	22,816,591,550	18,096,360,212
Labour expenses	8,751,646,411	6,055,064,992
Depreciation expenses	232,882,624	232,882,624
Tax, Charge, Fee	14,792,833,301	22,096,495,424
Expenses of outsourcing services	82,645,648,988	59,300,391,584
Other expenses in cash	3,233,939,374	3,565,126,252
	<b>132,473,542,248</b>	<b>109,346,321,087</b>

### 31. GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2019	Year 2018
	VND	VND
Labour expenses	69,456,953,418	56,468,919,414
Tools and supplies	4,394,625,000	2,831,578,828
Depreciation expenses	8,596,526,600	7,194,273,084
Tax, Charge, Fee	6,194,201,495	5,927,864,835
Provisioning / reversal of provision expenses	2,283,723,824	(763,379,217)
Expenses of outsourcing services	14,832,308,728	12,394,372,565
Other expenses in cash	16,984,790,451	12,884,749,660
	<b>122,743,129,516</b>	<b>96,938,379,169</b>

### 32. OTHER INCOME

	Year 2019	Year 2018
	VND	VND
Gain from liquidating, disposing fixed assets	638,949,671	1,268,053,600
Gain from wood sale promotion	308,005,592	1,125,584,756
Gain from debt collection	74,640,747	487,592,764
Gain from compensation	40,175,000	-
Gain from other services	1,147,808,347	53,641,280
Others	636,625,271	409,476,869
	<b>2,846,204,628</b>	<b>3,344,349,269</b>



**33. OTHER EXPENSES**

	Year 2019	Year 2018
	VND	VND
Penalty due to late delivery	1,764,600,575	2,872,662,269
The value of fire and explosion assets is not compensated	-	961,913,064
Local support cost	6,400,000	576,515,940
Fine for administrative and tax violations	498,964,669	123,008,270
Debt collection expenses	12,876,919	8,163,400
Others	570,725,689	393,196,716
	<b>2,853,567,852</b>	<b>4,935,459,659</b>

**34. CURRENT CORPORATE INCOME TAX EXPENSES**

	Year 2019	Year 2018
	VND	VND
Total profit before tax	477,200,142,061	424,391,003,026
In which		
- Profits enjoying tax exemption and reduction <sup>(i)</sup>	133,885,826,908	111,518,678,226
- Non-tax-exempt Profit	343,314,315,153	312,872,324,800
Increase	3,272,191,947	3,297,401,562
Decrease	(65,358,762,034)	(59,118,161,500)
Taxable income	415,113,571,974	368,570,243,088
Corporate income tax rate	20%	20%
Current corporate income tax expense	83,022,714,395	73,714,048,618
Deductible and exemptible corporate income tax	(16,861,100,160)	(18,697,755,053)
- Deductible corporate income tax at the stone processing factory in Dong Nai province	(3,320,952,518)	(3,605,980,592)
- Exemptible corporate income tax at the wood processing factory in Binh Dinh province	(6,945,034,939)	-
- Deductible corporate income tax at the stone processing factory in Binh Dinh province	(4,365,764,028)	(9,161,376,150)
- Deductible corporate income tax at the stone processing factory in Hung Yen province	(2,229,348,675)	(5,930,398,311)
<b>Current corporate income tax expense</b>	<b>66,161,614,235</b>	<b>55,016,293,565</b>
Adjustments of tax expenses from previous years to this year	(1,740,183,982)	(15,512,000)
Tax payable at the beginning of year	19,198,453,314	7,420,314,333
Tax paid in the year	(32,216,293,565)	(43,222,642,584)
<b>Corporate income tax payable at the end of the year</b>	<b>51,403,590,002</b>	<b>19,198,453,314</b>

<sup>(i)</sup> The Company is entitled to tax incentives for Stone manufacturing factory in Dong Nai, Binh Dinh, Hung Yen and Binh Dinh wood processing Factory as mentioned in Note 2.24.



### 35. DEFERRED INCOME TAX

#### a) Deferred income tax assets

	31/12/2019	01/01/2019
	VND	VND
Tax rate income tax rate used to determine the value of assets of deferred income tax	20%	20%
Deferred income tax assets related to deductible temporary differences	846,929,892	672,393,004
<b>Defferred income tax assets</b>	<b>846,929,892</b>	<b>672,393,004</b>

#### b) Deferred income tax expense

	Year 2019	Year 2018
	VND	VND
Deferred income tax income from temporary differences is deductible	(846,929,892)	(672,393,004)
Deferred income tax expenses arise from the reversal of deferred income tax assets	672,393,004	493,478,737
	<b>(174,536,888)</b>	<b>(178,914,267)</b>

### 36. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2019	Year 2018
	VND	VND
Raw materials	1,212,486,295,838	987,778,964,675
Labour expenses	229,862,321,272	231,661,256,161
Tools and supplies	30,370,261,235	43,699,516,782
Depreciation expenses	126,238,834,541	117,442,545,796
Tax, Charge, Fee	30,783,640,171	36,303,878,633
Provisioning / reversal of provision expenses	2,283,723,824	(763,379,217)
Expenses of outsourcing services	425,626,394,395	324,231,230,213
Other expenses in cash	36,475,119,997	30,980,712,064
	<b>2,094,126,591,273</b>	<b>1,771,334,725,106</b>



### 37. 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
<b>Financial Assets</b>				
Cash and cash equivalents	91,303,462,046	-	38,190,697,548	-
Trade and other receivables	575,005,791,888	(5,994,525,606)	521,798,538,664	(3,710,801,782)
Loans	546,708,812,330	-	487,127,503,332	-
	<u>1,213,018,066,264</u>	<u>(5,994,525,606)</u>	<u>1,047,116,739,544</u>	<u>(3,710,801,782)</u>

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	1,482,292,150,607	1,138,968,611,787
Trade and other payables	335,626,420,425	271,002,691,383
Accrued expenses	11,419,977,865	6,791,900,789
	<u>1,829,338,548,897</u>	<u>1,416,763,203,959</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 prices, 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	More than 5 years	Total
	VND	VND	VND	VND
<b>As at 31/12/2019</b>				
Cash and cash equivalents	91,303,462,046	-	-	91,303,462,046
Trade and other receivables	558,775,032,612	10,236,233,670	-	569,011,266,282
<b>Total</b>	<b>650,078,494,658</b>	<b>10,236,233,670</b>	<b>-</b>	<b>660,314,728,328</b>
<b>As at 01/01/2019</b>				
Cash and cash equivalents	38,190,697,548	-	-	38,190,697,548
Trade and other receivables	512,994,951,679	5,092,785,203	-	518,087,736,882
<b>Total</b>	<b>551,185,649,227</b>	<b>5,092,785,203</b>	<b>-</b>	<b>556,278,434,430</b>

**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	More than 5 years	Total
	VND	VND	VND	VND
<b>As at 31/12/2019</b>				
Borrowings and debts	1,356,953,419,632	125,338,730,975	-	1,482,292,150,607
Trade and other payables	331,664,337,096	3,962,083,329	-	335,626,420,425
Accrued expenses	11,419,977,865	-	-	11,419,977,865
	<b>1,700,037,734,593</b>	<b>129,300,814,304</b>	<b>-</b>	<b>1,829,338,548,897</b>
<b>As at 01/01/2019</b>				
Borrowings and debts	1,068,378,216,727	70,590,395,060	-	1,138,968,611,787
Trade and other payables	267,030,652,053	3,972,039,330	-	271,002,691,383
Accrued expenses	6,791,900,789	-	-	6,791,900,789
	<b>1,342,200,769,569</b>	<b>74,562,434,390</b>	<b>-</b>	<b>1,416,763,203,959</b>

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.



**38. ADDITIONAL INFORMATION FOR THE ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS**

**a) Proceeds from borrowings during the year**

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Proceeds from ordinary contracts	3,961,708,559,295	2,900,513,348,682

**b) Actual repayments on principal during the year**

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Repayment on principal from ordinary contracts	3,618,385,020,475	2,722,385,807,175

**39. 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.



#### 40. SEGMENT REPORTING

##### Under business fields

	Stone business	Wood business	Trading and Other Services	Total from all segments	Elimination	Grand Total
	VND	VND	VND	VND	VND	VND
Net revenue from sales to external customers	1,284,117,574,992	1,502,892,721,461	35,994,712,412	2,823,005,008,865	-	2,823,005,008,865
- Domestic	868,930,712,649	442,031,637,732	35,994,712,412	1,346,957,062,793	-	1,346,957,062,793
- Export	415,186,862,343	1,060,861,083,729	-	1,476,047,946,072	-	1,476,047,946,072
Cost of goods sold	827,394,123,522	1,248,356,366,481	33,846,065,088	2,109,596,555,091	-	2,109,596,555,091
<b>Net profit from business activities</b>	<b>456,723,451,470</b>	<b>254,536,354,980</b>	<b>2,148,647,324</b>	<b>713,408,453,774</b>	-	<b>713,408,453,774</b>
Total cost of acquisition of fixed assets	192,268,537,156	75,232,525,506	-	267,501,062,662	-	267,501,062,662
Segment assets	1,262,728,583,859	2,536,739,897,130	-	3,799,468,480,989	(611,714,886,492)	3,187,753,594,497
Assets not allocated	-	-	-	520,867,933,900	-	520,867,933,900
<b>Total assets</b>	<b>1,262,728,583,859</b>	<b>2,536,739,897,130</b>	-	<b>4,320,336,414,889</b>	<b>(611,714,886,492)</b>	<b>3,708,621,528,397</b>
Segment liabilities	808,166,605,207	1,784,351,052,185	-	2,592,517,657,392	(611,714,886,492)	1,980,802,770,900
<b>Total liabilities</b>	<b>808,166,605,207</b>	<b>1,784,351,052,185</b>	-	<b>2,592,517,657,392</b>	<b>(611,714,886,492)</b>	<b>1,980,802,770,900</b>

##### Under geographical areas:

The geographical area is determined based on the management decentralization between enterprises and branches (dependent accounting units) of the Company. During the year, the business operations of the parent company mainly took place in Binh Dinh province, operations in other areas accounted for a negligible proportion (less than 10%), therefore the Company does not prepare Segment Reporting under geographical area.



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

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

Transactions during the year:

	Relation	Year 2019 VND	Year 2018 VND
<b>Equity Investments</b>		<b>154,600,000,000</b>	<b>120,000,000,000</b>
Phu Tai Ninh Thuan Stone Joint Stock Company	Subsidiary	5,000,000,000	-
Phu Tai Quartz Stone Company Limited	Subsidiary	100,000,000,000	-
Son Phat Production and Trading Company Limited	Subsidiary	39,600,000,000	-
Phu Tai Real Estate Co., Ltd	Subsidiary	10,000,000,000	90,000,000,000
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	-	30,000,000,000
<b>Revenue</b>		<b>104,953,873,786</b>	<b>56,044,373,476</b>
Vina G7 JSC	Subsidiary	24,905,444,913	24,337,294,552
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	13,076,677,197	15,069,342,186
Granite Manufacturing Co., Ltd	Subsidiary	3,881,323,484	5,444,420,174
Phu Yen Construction Materials JSC	Subsidiary	6,778,274,052	5,245,901,476
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	38,059,434,956	3,505,792,888
Son Phat Production and Trading Company Limited	Subsidiary	4,584,813,768	-
Universal Stone JSC	Subsidiary	262,665,053	1,377,806,400
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	13,405,240,363	-
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	-	954,727,800
Toyota Da Nang One-member Co., Ltd	Subsidiary	-	98,000,000
Phu Tai Real Estate Co., Ltd	Subsidiary	-	11,088,000
<b>Sales of fixed assets</b>		<b>3,206,880,451</b>	<b>5,843,096,934</b>
Phu Yen Construction Materials JSC	Subsidiary	43,488,480	3,065,886,260
Vina G7 JSC	Subsidiary	-	2,172,210,674
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	2,333,977,856	605,000,000
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	141,469,893	-
Granite Manufacturing Co., Ltd	Subsidiary	687,944,222	-
<b>Purchase of raw materials and goods</b>		<b>75,085,046,050</b>	<b>62,956,071,898</b>
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	54,138,168,816	47,291,445,418
Granite Manufacturing Co., Ltd	Subsidiary	8,835,526,674	9,825,929,078
Phu Yen Construction Materials JSC	Subsidiary	5,759,295,888	5,795,983,302
Son Phat Production and Trading Company Limited	Subsidiary	595,061,028	-
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	4,078,993,659	-
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	1,677,999,985	42,714,100
<b>Purchase of car repair services</b>		<b>409,304,049</b>	<b>475,509,890</b>
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	409,304,049	475,509,890



Transactions during the year:

	Relation	Year 2019 VND	Year 2018 VND
<b>Purchase of stone processing services</b>		<b>424,483,900</b>	<b>1,000,983,013</b>
Universal Stone JSC	Subsidiary	424,483,900	1,000,983,013
<b>Purchase of fixed assets</b>		<b>7,206,305,604</b>	<b>5,182,537,518</b>
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	2,162,727,272	4,163,737,518
Toyota Da Nang One-member Co., Ltd	Subsidiary	-	1,018,800,000
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	1,423,982,903	-
Granite Manufacturing Co., Ltd	Subsidiary	2,166,836,339	-
Son Phat Production and Trading Company Limited	Subsidiary	1,452,759,090	-
<b>Dividends received</b>		<b>65,358,762,034</b>	<b>58,390,436,500</b>
Toyota Da Nang One-member Co., Ltd	Subsidiary	20,670,000,000	32,410,000,000
Phu Yen Construction Materials JSC	Subsidiary	14,019,304,500	9,865,436,500
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	7,380,000,000	7,589,000,000
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	10,200,000,000	4,866,000,000
Son Phat Production and Trading Company Limited	Subsidiary	1,580,000,000	-
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	5,070,000,000	-
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	6,200,000,000	3,660,000,000
Chanh Phu Hoa Constructing Investment Joint Stock Company	Other investments	239,457,534	-
<b>Loan interest</b>		<b>26,142,743,309</b>	<b>15,141,241,037</b>
Granite Manufacturing Co., Ltd	Subsidiary	8,726,685,880	9,030,351,019
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	2,597,580,810	2,322,564,219
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	3,140,458,581	2,131,081,322
Universal Stone JSC	Subsidiary	628,431,697	730,166,796
Toyota Da Nang One-member Co., Ltd	Subsidiary	6,461,825,265	545,045,689
Vina G7 JSC	Subsidiary	591,835,205	382,031,992
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	1,763,660,766	-
Son Phat Production and Trading Company Limited	Subsidiary	2,062,748,953	-
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	169,516,152	-



Balance at the end of financial year:

	Relation	31/12/2019	01/01/2019
		VND	VND
<b>Short-term trade receivables</b>		<b>32,761,613,533</b>	<b>13,962,690,042</b>
Vina G7 JSC	Subsidiary	8,150,991,170	7,978,416,779
Granite Manufacturing Co., Ltd	Subsidiary	2,528,301,565	1,809,310,864
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	780,642,190	827,219,572
Phu Yen Construction Materials JSC	Subsidiary	5,610,116,819	1,225,329,403
Son Phat Production and Trading Company Limited	Subsidiary	1,334,065,200	-
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	13,778,891,976	1,624,535,454
Phu Tai Quartz Stone Company Limited	Subsidiary	333,850,110	-
Universal Stone JSC	Subsidiary	154,174,240	485,681,170
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	90,580,263	-
Phu Tai Real Estate Co., Ltd	Subsidiary	-	12,196,800
<b>Short-term prepayments to suppliers</b>		<b>-</b>	<b>991,981</b>
Universal Stone JSC	Subsidiary	-	991,981
<b>Short-term trade payables</b>		<b>17,176,072,368</b>	<b>3,999,548,993</b>
Granite Manufacturing Co., Ltd	Subsidiary	4,788,210,763	3,828,000,000
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	6,430,242,632	139,882,600
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	151,572,126	31,666,393
Son Phat Production and Trading Company Limited	Subsidiary	940,550,300	-
Thanh Chau Phu Yen Granite Company Limited	Subsidiary	4,051,995,788	-
Universal Stone JSC	Subsidiary	704,590,309	-
Phu Yen Construction Materials JSC	Subsidiary	108,910,450	-
<b>Short-term loan receivable</b>		<b>496,708,812,330</b>	<b>320,602,225,166</b>
Thanh Chau Phu Yen Granite Company	Subsidiary	10,072,420,886	-
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	44,255,960,794	41,822,427,525
Universal Stone JSC	Subsidiary	8,087,327,145	12,000,000,000
Vina G7 JSC	Subsidiary	9,500,000,000	9,500,000,000
Toyota Binh Dinh One-member Co., Ltd	Subsidiary	43,963,719,601	11,774,763,216
Toyota Da Nang One-member Co., Ltd	Subsidiary	140,623,329,010	46,319,153,963
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	12,609,730,855	53,800,400,000
Granite Manufacturing Co., Ltd	Subsidiary	123,071,644,438	137,015,480,462
Phu Tai Ninh Thuan Stone Joint Stock Company	Subsidiary	3,490,294,769	-
Son Phat Production and Trading Company Limited	Subsidiary	42,341,175,953	-
Mrs. Nguyen Thi Kiem Oanh	Related parties	-	8,370,000,000
Phu Tai Quartz Stone Company Limited	Subsidiary	27,669,160,989	-



Balance at the end of financial year:

	Relation	31/12/2019	01/01/2019
		VND	VND
Phu Tai Real Estate Co., Ltd	Subsidiary	31,024,047,890	-
<b>Short term receivables</b>		<b>4,246,975,478</b>	<b>1,501,501,313</b>
Tuan Dat Minerals One-member Co., Ltd.	Subsidiary	233,199,355	697,110,244
Universal Stone JSC	Subsidiary	-	203,871,959
Toyota Da Nang One-member Co., Ltd	Subsidiary	32,936,803	225,505,251
Phu Tai Dong Nai One-member Co., Ltd	Subsidiary	-	279,589,741
Phu Yen Construction Materials JSC	Subsidiary	3,634,634,500	-
Phu Tai Real Estate Co., Ltd	Subsidiary	136,204,820	42,250,500
Vina G7 JSC	Subsidiary	-	53,173,618
Chanh Phu Hoa Constructing Investment Joint Stock Company	Other investments	210,000,000	-

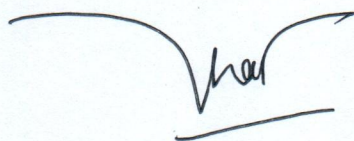
Transactions with other related parties:

	Year 2019	Year 2018
	VND	VND
Remuneration to General Director	888,574,000	972,000,000
Remuneration to Board of Management, Board of Supervision and other managers	4,701,411,190	5,125,836,893

#### 42. COMPARATIVE FIGURES

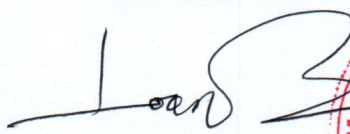
The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 December 2018, which was audited by AASC Auditing Firm.

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 25 March 2020

General Director



LE VAN THAO