

# **SEPARATE FINANCIAL STATEMENTS**

## **PHU TAI JOINT STOCK COMPANY**

For the fiscal year ended as at 31 December 2020

(Audited)

M.S.D.A.

## CONTENTS

	Page
Report of the Board of General Directors	02 - 03
Independent Auditors' Report	04 - 05
Audited Separate Financial Statements	06 - 52
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 - 52



## **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 2020.

### **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

### **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

**Phu Tai Joint Stock Company**

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

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 2020, its operation results and cash flows in the year 2020 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, 26 March 2021*

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



**PHAN QUỐC HOÀI**

No: 260321.007/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 26 March 2021, as set out on pages 06 to 52, including: Separate Statement of Financial position as at 31 December 2020, Separate Statement of Income, Separate Statement of Cash flows and Notes to Separate Financial Statements for the fiscal year ended as at 31 December 2020.

### 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 2020, 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.

**The problem should be emphasized**

As stated by the Company in Note 9, Notes to the financial statements, up to the time of these separate financial statements, the Independent Inspector is still in the process of collecting and assessing information. announced the compensation reserve estimate for the Company's loss related to the fire incident at the finished product warehouse of Thang Loi Enterprise. Therefore, as at 31 December 2020, the Company is monitoring the assets that are lost due to the fire mentioned above in item Shortage of assets awaiting resolution. The value of the loss or indemnity will be recognized by the Company in the income statement when the inspection is completed with the agreement of the insurance agency. The Board of Directors evaluates and believes that the compensation value from the insurance will fully compensate for the actual damage arising from the above incident.

This emphasis does not change our full acceptance.

**AASC Auditing Firm Company Limited**



**Phạm Anh Tuấn**

Deputy General Director

Registered Auditor No.: 0777-2018-002-1

*Ha Noi, 26 March 2021*

**Hoang Thuy Nga**

Auditor

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

## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

Code	ASSETS	Note	31/12/2020	01/01/2020
			VND	VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,130,724,610,025</b>	<b>2,107,726,201,486</b>
110	I. Cash and cash equivalents	3	97,217,893,073	91,303,462,046
111	1. Cash		97,217,893,073	91,303,462,046
120	II. Short-term investments	4	112,603,038,334	50,450,000,000
121	1. Trading securities		12,603,038,334	450,000,000
123	2. Held-to-maturity investments		100,000,000,000	50,000,000,000
130	III. Short-term receivables		1,079,338,144,090	1,077,209,716,685
131	1. Short-term trade receivables	5	425,957,850,617	547,563,182,061
132	2. Short-term prepayments to suppliers	6	38,678,728,621	22,312,588,766
135	3. Short-term loan receivable	7	535,995,812,565	496,708,812,330
136	4. Other short-term receivables	8	18,870,845,000	17,206,376,157
137	5. Provision for short-term doubtful debts		(6,357,424,315)	(6,581,242,629)
139	6. Shortage of assets awaiting resolution	9	66,192,331,602	-
140	IV. Inventories	11	703,126,740,434	747,265,894,008
141	1. Inventories		703,126,740,434	747,265,894,008
150	V. Other short-term assets		138,438,794,094	141,497,128,747
151	1. Short-term prepaid expenses	12	19,634,336,349	21,493,290,711
152	2. Deductible VAT		118,717,355,206	119,932,144,236
153	3. Taxes and other receivables from State budget	17	87,102,539	71,693,800

## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Continued)

Code	ASSETS	Note	31/12/2020 VND	01/01/2020 VND
200	<b>B. NON-CURRENT ASSETS</b>		<b>1,605,881,607,789</b>	<b>1,600,895,326,911</b>
210	<b>I. Long-term receivables</b>		<b>10,474,726,141</b>	<b>10,236,233,670</b>
216	1. Other long-term receivables	8	10,474,726,141	10,236,233,670
220	<b>II. Fixed assets</b>		<b>876,527,684,782</b>	<b>921,250,443,236</b>
221	1. Tangible fixed assets	13	864,863,740,060	907,785,480,487
222	- Historical cost		1,547,906,641,272	1,523,118,686,610
223	- Accumulated depreciation		(683,042,901,212)	(615,333,206,123)
227	2. Intangible fixed assets	14	11,663,944,722	13,464,962,749
228	- Historical cost		24,649,066,803	24,649,066,803
229	- Accumulated amortization		(12,985,122,081)	(11,184,104,054)
240	<b>III. Long-term assets in progress</b>		<b>2,345,774,637</b>	<b>19,107,829,544</b>
242	1. Construction in progress	15	2,345,774,637	19,107,829,544
250	<b>IV. Long-term investments</b>	4	<b>630,657,877,139</b>	<b>520,021,004,008</b>
251	1. Investments in subsidiaries		627,757,475,243	517,757,475,243
253	2. Equity investments in other entities		9,800,000,000	4,200,000,000
254	3. Provision for devaluation of long-term investments		(6,899,598,104)	(1,936,471,235)
260	<b>V. Other long-term assets</b>		<b>85,875,545,090</b>	<b>130,279,816,453</b>
261	1. Long-term prepaid expenses	12	84,337,218,034	129,432,886,561
262	2. Deferred income tax assets	36	1,538,327,056	846,929,892
270	<b>TOTAL ASSETS</b>		<b>3,736,606,217,814</b>	<b>3,708,621,528,397</b>



## SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Continued)

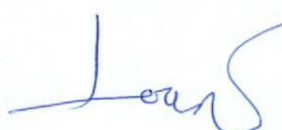
Code	CAPITAL	Note	31/12/2020 VND	01/01/2020 VND
300	<b>C. LIABILITIES</b>		<b>1,919,151,249,217</b>	<b>1,980,802,770,900</b>
310	<b>I. Current liabilities</b>		<b>1,712,195,426,002</b>	<b>1,847,407,082,274</b>
311	1. Short-term trade payables	16	356,608,270,805	323,477,101,300
312	2. Short-term prepayments from customers	19	15,814,433,963	15,970,909,017
313	3. Taxes and other payables to State budget	17	70,673,740,581	67,569,930,793
314	4. Payables to employees		50,803,460,234	27,974,101,551
315	5. Short-term accrued expenses	20	8,448,592,473	11,419,977,865
319	6. Other short-term payables	21	20,523,465,545	8,187,235,796
320	7. Short-term borrowings and finance lease liabilities	18	1,151,240,196,289	1,356,953,419,632
321	8. Provisions for short-term payables	22	4,405,733,967	4,405,733,967
322	9. Bonus and welfare fund		33,677,532,145	31,448,672,353
330	<b>II. Non- current liabilities</b>		<b>206,955,823,215</b>	<b>133,395,688,626</b>
337	1. Other long-term payables	21	2,781,284,928	3,962,083,329
338	2. Long-term borrowings and finance lease liabilities	18	196,622,678,142	125,338,730,975
342	3. Provisions for long-term payables	22	7,551,860,145	4,094,874,322
400	<b>D. EQUITY</b>		<b>1,817,454,968,597</b>	<b>1,727,818,757,497</b>
410	<b>I. Owner's equity</b>	23	<b>1,817,454,968,597</b>	<b>1,727,818,757,497</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		1,002,948,090,483	750,055,307,222
415	4. Treasury stocks		(138,564,459,864)	(82,808,934,273)
421	5. Retained earnings		305,452,202,126	412,953,248,696
421b	Retained earnings accumulated till the end of the previous year		305,452,202,126	412,953,248,696
440	<b>TOTAL CAPITAL</b>		<b>3,736,606,217,814</b>	<b>3,708,621,528,397</b>

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 26 March 2021

General Director

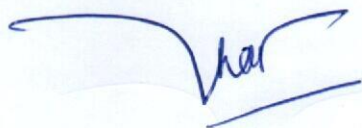
K/T. TÔNG GIÁM ĐỐC  
PHÓ TÔNG GIÁM ĐỐC  
CÔNG TY  
CỔ PHẦN  
PHÚ TÀI  
TỈNH BÌNH ĐỊNH  
PHAN QUỐC HOÀI

## SEPARATE STATEMENT OF INCOME

Year 2020

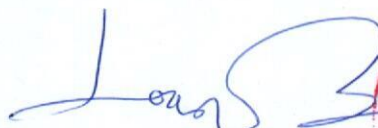
Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
01	1. Revenues from sales of goods and rendering of services	25	3,446,369,458,675	2,823,037,976,759
02	2. Revenue deductions	26	1,011,852,605	32,967,894
10	3. Net revenues from sales of goods and rendering of services	27	3,445,357,606,070	2,823,005,008,865
11	4. Cost of goods sold	28	2,660,345,917,940	2,050,099,462,365
20	5. Gross profit from sales of goods and rendering of services		785,011,688,130	772,905,546,500
21	6. Financial income	29	91,207,016,374	105,637,137,241
22	7. Financial expense	30	105,953,747,925	86,621,413,966
23	<i>In which : Interest expense</i>		87,332,642,123	81,478,185,922
25	8. Selling expense	31	294,360,496,898	191,970,634,974
26	9. General and administrative expense	32	128,301,156,792	122,743,129,516
30	10. Net profit from operating activities		347,603,302,889	477,207,505,285
31	11. Other income	33	20,420,123,040	2,846,204,628
32	12. Other expense	34	5,152,601,270	2,853,567,852
40	13. Other profit		15,267,521,770	(7,363,224)
50	14. Total net profit before tax		362,870,824,659	477,200,142,061
51	15. Current corporate income tax expense	35	58,110,019,697	64,421,430,253
52	16. Deferred corporate income tax expense	36	(691,397,164)	(174,536,888)
60	17. Profit after corporate income tax		<u>305,452,202,126</u>	<u>412,953,248,696</u>

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

Binh Dinh, 26 March 2021  
General Director



PHAN QUỐC HOÀI

## SEPARATE STATEMENT OF CASH FLOWS

Year 2020  
(Indirect method)

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	1. Profit before tax		362,870,824,659	477,200,142,061
	2. Adjustment for:		144,710,481,192	112,760,851,738
02	- Depreciation of fixed assets and amortization investment properties		145,618,877,170	128,132,316,232
03	- Provisions		8,196,294,378	4,023,765,023
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currencies		(2,549,713,752)	(527,417,932)
05	- Gains / losses from investment		(93,887,618,727)	(100,345,997,507)
06	- Interest expense		87,332,642,123	81,478,185,922
08	3. Operating profit before changes in working capital		507,581,305,851	589,960,993,799
09	- Increase or decrease in receivables		67,369,304,173	(90,487,471,753)
10	- Increase or decrease in inventories		44,139,153,574	(75,870,955,149)
11	- Increase or decrease in payables (excluding interest payable, corporate income tax payable)		60,468,994,807	59,992,742,349
12	- Increase or decrease in prepaid expenses		38,189,348,019	(43,709,069,849)
13	- Increase or decrease in trading securities		(12,153,038,334)	-
14	- Interest paid		(85,623,461,034)	(80,203,083,997)
15	- Corporate income tax paid		(51,434,894,909)	(32,216,293,565)
17	- Other payments on operating activities		(18,418,802,643)	(20,580,386,560)
20	Net cash flow from operating activities		550,117,909,504	306,886,475,275
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(141,839,203,413)	(250,822,415,904)
22	2. Proceeds from disposals of fixed assets and other long-term assets		44,107,288,996	3,704,363,367
23	3. Loans and purchase of debt instruments from other entities		(1,345,256,402,597)	(2,360,631,913,886)
24	4. Collection of loans and resale of debt instrument of other entities		1,196,221,867,334	2,301,050,604,888
25	5. Equity investments in other entities		(44,057,770,266)	(154,478,000,000)
27	6. Interest and dividend received		76,111,524,062	98,245,670,211
30	Net cash flow from investing activities		(214,712,695,884)	(362,931,691,324)

SEPARATE STATEMENT OF CASH FLOWS

Year 2020  
(Indirect method)  
(Continued)

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
32	1. Returns capital to owners, repurchase stocks issued of the enterprise		(55,755,525,591)	(82,808,934,273)
33	2. Proceeds from borrowings		3,540,974,057,984	3,961,708,559,295
34	3. Repayment of principal		(3,675,403,334,160)	(3,618,385,020,475)
36	4. Dividends or profits paid to owners		(139,290,207,200)	(151,356,624,000)
40	<i>Net cash flow from financing activities</i>		<i>(329,475,008,967)</i>	<i>109,157,980,547</i>
50	Net cash flows in the year		5,930,204,653	53,112,764,498
60	Cash and cash equivalents at the beginning of the year		91,303,462,046	38,190,697,548
61	Effect of exchange rate fluctuations		(15,773,626)	-
70	Cash and cash equivalents at the end of the year	3	<u>97,217,893,073</u>	<u>91,303,462,046</u>

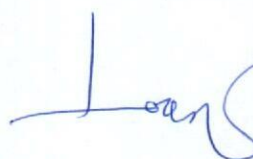
Binh Dinh, 26 March 2021

Preparer



Vo Phuong Thao

Chief Accountant



Nguyen Thi My Loan

General Director



K.T. TỔNG GIÁM ĐỐC  
PHÓ TỔNG GIÁM ĐỐC

PHAN QUỐC HOÀI

## NOTES TO SEPARATE FINANCIAL STATEMENTS

Year 2020

### 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 is operating under the Business Registration Certificate No. 4100259236, firstly issued on 30 December 2014 and amended for the 25<sup>th</sup> time on 25 July 2018.

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

The number of employees of the Company as at 31 December 2020 was 4,963 people (as at 31 December 2019: 4,271 people).

**Business field:** Industrial manufacturing, trading and services.

#### Business activities

Principal 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:

<u>Name of member entities</u>	<u>Address</u>	<u>Principal activities</u>
Basalt and Granite Processing Plant in Dak Nong 380 Enterprise	ĐăkR'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	An Nhon District, Binh Dinh Province Ho Chi Minh City	Exploiting and processing stone Trading wood products
Granite Processing Plant in Khanh Hoa Province Branch in Binh Duong Province <sup>(i)</sup>	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 Province <sup>(ii)</sup>	Van Lam District, Hung Yen Province	Processing and trading stone

<u>Name of member entities</u>	<u>Address</u>	<u>Principal activities</u>
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
Grannite 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	Dien Tan District, Khanh Hoa Province	Exploiting and processing stone
Stone exploiting Enterprise in Binh Dinh Province	Phu Cat District, Binh Dinh Province	Exploiting and processing stone
Stone exploiting Enterprise in Dak Nong	Dak R'Lap District, Dak Nong Province	Exploiting and processing stone
Stone exploiting Enterprise in Van Ninh Province	Van Ninh District, Khanh Hoa Province	Exploiting and processing stone
Granite Processing Factory in Long My	Quy Nhon city, Binh Dinh Province	Processing and trading stone

In which:

(i) The branch has not yet entered operation.

(ii) The branch was dissolved during the year according to Decision No. 102/QD-HDQT dated 30 October 2020 of the Board of Management on the termination of the operation of the Company's branch.

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

#### **The Company's operation in the year that affects the Separate financial statements**

For the production and trading of stone products: Although the exploitation and consumption of stone products of the company was interrupted for a number of times due to the implementation of the social separation order to prevent and control Covid-19 epidemics, however, during the year, the Company focused on the production and consumption of inventory stones with lower value, and at the same time, applied measures to reduce selling prices to boost consumption, so the revenue from trading Sales of stone products in the year still grew slightly, but the gross profit of this activity decreased significantly compared to the previous year.

For the production and trading of wood products: also interrupted in production and consumption in some time due to the implementation of social gap, but the government's good control of the disease has helped manufacturing activities recovered quickly, the Company's export orders increased strongly, especially for wooden furniture products. Therefore, revenue from wood production and trading activities for export increased significantly, but this activity led to a sharp increase in selling expenses due to increased export costs and costs in product packaging

During the year there was a fire at the Finished Product Warehouse of Thang Loi Enterprise, but the Company quickly fixed it, so the problem did not have a significant impact on the production and business activities of the Enterprise and the whole a set of assets affected by the fire was previously fully insured by the Company. Up to now, the Company is in the process of working with insurers and an assessment organization on compensation value (see Note 9).

During the year, the Company issued a decision to terminate the operation of the branch - paving stone processing factory in Hung Yen province and transferred all land use rights, assets attached to land and other assets of the House led to a sharp increase in other income this year compared to the previous year (Note 33).

## 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 2020 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 revaluation of financial instruments after initial recognition.

### 2.5. Foreign currency transactions

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

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Company and commercial banks;
- When recording receivables, applying the bid rate of commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Company 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. Upon the liquidation or transfer, cost of trading securities is determined using weighted average method.

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

*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 years |
| - Machinery, equipment               | 04 - 10 years |
| - Vehicles, Transportation equipment | 06 - 12 years |
| - Office equipment and furniture     | 03 - 08 years |
| - Site preparation expenses          | 10 - 25 years |
| - Mining rights                      | 10 - 25 years |

#### 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 31 December 2020, the Company is entitled to the following CIT rates:

- 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 and subsidiaries;

- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence over the Company.

In considering the relationship of related parties to serve for the preparation and presentation of Separate Interim 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

	31/12/2020	01/01/2020
	VND	VND
Cash on hand	3,466,208,493	3,014,509,858
Demand deposits	93,751,684,580	88,288,952,188
	<b><u>97,217,893,073</u></b>	<b><u>91,303,462,046</u></b>

## 4. SHORT-TERM FINANCIAL INVESTMENTS

### a) Held-to-maturity investments

	31/12/2020		01/01/2020	
	Original cost	Carrying amount	Original cost	Carrying amount
	VND	VND	VND	VND
<b>Short-term investments</b>				
- Term deposits <sup>(4.1)</sup>	100,000,000,000	-	50,000,000,000	-
	<b><u>100,000,000,000</u></b>	<b><u>-</u></b>	<b><u>50,000,000,000</u></b>	<b><u>-</u></b>

<sup>(4.1)</sup> As at 31/12/2020, the Company had 6-month term deposits with total value of VND 100,000,000,000 deposited at Saigon Commercial Joint Stock Bank - Binh Dinh Branch with interest rate of 8.0% / year.

4. SHORT TERM FINANCIAL INVESTMENTS

b) Trading securities

	Code	31/12/2020			01/01/2020		
		Original cost	Fair value	Provision	Original cost	Fair value	Provision
		VND	VND	VND	VND	VND	VND
<b>Investments in stock:</b>							
- Petro Vietnam Gas Joint Stock Company	GAS	5,134,595,510	5,196,000,000	-	-	-	-
- Vinhomes Joint Stock Company	VHM	3,197,555,055	3,580,000,000	-	-	-	-
- Vietnam Joint Stock Commercial Bank for Industry and Trade	CTG	2,791,180,500	2,764,000,000	-	-	-	-
- Military Commercial Joint Stock Bank	MBB	1,029,707,269	1,170,700,000	-	-	-	-
- MB Property Joint Stock Company <sup>(4.2)</sup>		450,000,000		-	450,000,000		-
		<b>12,603,038,334</b>		<b>-</b>	<b>450,000,000</b>		<b>-</b>

Fair value of trading securities is determined according to the closing price at the reporting date on HOSE on 31 December 2020

<sup>(4.2)</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.

**4. LONG TERM FINANCIAL INVESTMENTS**

**c) Investments in other companies**

	31/12/2020		01/01/2020	
	Value VND	Provision VND	Value VND	Provision VND
<b>Investments in subsidiaries</b>	<b>627,757,475,243</b>	<b>(6,899,598,104)</b>	<b>517,757,475,243</b>	<b>(1,936,471,235)</b>
- Phu Yen Construction Materials Joint Stock	9,620,700,000	-	9,620,700,000	-
- Tuan Dat Minerals One-member Company Limited	10,700,000,000	-	10,700,000,000	-
- Universal Stone Joint Stock Company	6,000,000,000	(2,710,034,642)	6,000,000,000	(1,936,471,235)
- Vina G7 Joint Stock Company	41,877,750,000	-	41,877,750,000	-
- Toyota Binh Dinh One-member Company Limited	25,309,025,243	-	25,309,025,243	-
- Toyota Da Nang One-member Company Limited	70,000,000,000	(4,189,563,462)	70,000,000,000	-
- Phu Tai Dong Nai One-member Company Limited	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	160,000,000,000	-	100,000,000,000	-
- Thanh Chau Phu Yen Granite Company Limited	30,000,000,000	-	30,000,000,000	-
- Son Phat Production and Trading Company Limited	39,600,000,000	-	39,600,000,000	-
- Van Phu - Mineral., JSC	5,000,000,000	-	5,000,000,000	-
- Phu Tai High Quality Quartz Stone One-member Co., Ltd	100,000,000,000	-	100,000,000,000	-
- Phu Tai Binh Dinh Wood Company Limited	50,000,000,000	-	-	-
<b>Investments in other companies</b>	<b>9,800,000,000</b>	<b>-</b>	<b>4,200,000,000</b>	<b>-</b>
- Chanh Phu Hoa Constructing Investment Joint Stock	9,800,000,000	-	4,200,000,000	-
	<b><u>637,557,475,243</u></b>	<b><u>(6,899,598,104)</u></b>	<b><u>521,957,475,243</u></b>	<b><u>(1,936,471,235)</u></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.

**The reason for each change in investment in subsidiaries:**

- According to Decision No. 46/QD-HDQT dated 10 May 2020 of the Board of Management, the Company has transferred its loan to establish Phu Tai Real Estate One-member Company Limited with charter capital of from VND 100,000,000,000 to VND 160,000,000,000.
- Implementing Decision No. 82/QD-HDQT dated 12 August 2020 of the Board of Management, the Company established Phu Tai Binh Dinh Wood Company Limited located at Lot B10C, B11, B12, at Cat Nhon Industrial cluster, Lien Tri village, Cat Nhon commune, Phu Cat district, Binh Dinh province with charter capital of VND 50,000,000,000. During the year, the Company has fully contributed charter capital to this subsidiary, in which the amount of capital contributed in cash is VND 38,457,770,266 and contributed by the value of land lease rights, maintenance fees of Phu Cat Industrial Park up to the time of Capital contribution is VND 11,542,229,734 (Note 12.5).



**Investments in subsidiaries**

**Detailed information on the Company's subsidiaries as at 31 December 2020 as follows:**

Name of subsidiaries	Place of establishment and operation	Rate of interest	Rate of voting	Principal activities
Phu Yen Construction Materials JSC	Tuy Hoa City, Phu Yen Province	50.65%	50.65%	Mining and processing paving stones, construction stone, construction sand
Tuan Dat Minerals One-member Company Limited	Quy Nhon City, Binh Dinh Province	100.00%	100.00%	Exploiting and processing stone
Universal Stone Joint Stock Company	Phu Nhuan District, Ho Chi Minh City	60.00%	60.00%	Manufacturing and trading stone products
Vina G7 Joint Stock Company	Bien Hoa City, Dong Nai Province	75.00%	75.00%	Manufacturing and trading wood products
Toyota Binh Dinh One-member Company Limited	Quy Nhon City, Binh Dinh Province	100.00%	100.00%	Trading and repairing cars
Toyota Da Nang One-member Company Limited	Da Nang City	100.00%	100.00%	Trading and repairing cars
Phu Tai Dong Nai One-member Company Limited	Bien Hoa City, Dong Nai Province	100.00%	100.00%	Manufacturing and trading wood products
Granite Manufacturing Company Limited	District 9, Ho Chi Minh City	70.00%	70.00%	Manufacturing and trading stone products
Phu Tai Real Estate Co., Ltd	Quy Nhon City, Binh Dinh Province	100.00%	100.00%	Trading real estate
Thanh Chau Phu Yen Granite Company Limited	Dong Xuan District, Phu Yen	100.00%	100.00%	Exploiting and processing stone
Son Phat Production and Trading Company Limited	Van Ninh District, Khanh Hoa Province	99.00%	99.00%	Exploiting and processing stone
Van Phu - Mineral., JSC	Phan Rang - Thap Cham City, Ninh Thuan Province	98.00%	98.00%	Manufacturing and processing stone
Phu Tai High Quality Quartz Stone One-member Co., Ltd	Nhon Trach District, Dong Nai Province	100.00%	100.00%	Manufacturing and processing stone
Wood Company Limited Phu Tai Binh Dinh	Phu Cat District, Binh Dinh Province	100.00%	100.00%	Manufacturing and trading wood products

**Investments in other companies**

Name of companies	Place of establishment and operation	Rate of interest	Rate of voting	Principal activities
Chanh Phu Hoa Constructing Investment Joint Stock	Thu Dau Mot City, Binh Duong Province	1.98%	0.85%	Constructing and trading real estate

5. SHORT-TERM TRADE RECEIVABLES

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Noble House Home Furnishings LLC	35,777,813,030	-	576,551,053	-
- Yaraghi LLC	27,286,101,093	-	28,746,048,543	-
- Carrefour Imports SAS	25,181,254,643	-	34,121,173,400	-
- Hung Thinh Company Limited	23,000,000,000	-	-	-
- Phu Tai Dong Nai One-member Company Limited	22,734,966,111	-	13,778,891,976	-
- Ashley	20,196,440,043	-	16,270,566,150	-
- Forest Products Distributors	15,520,437,531	-	-	-
- Anavil Company LTD	13,686,808,047	-	30,612,478,469	-
- The Anh Transport Service and Trading Co., Ltd	6,983,849,216	-	11,897,965,983	-
- B and Q PLC	6,558,005,987	-	14,713,829,868	-
- Castorama France SAS	5,941,773,008	-	32,368,060,586	-
- Anh Kim Co., Ltd	3,637,727,473	-	9,488,052,293	-
- Vina G7 Joint Stock Company	2,953,862,495	-	8,150,991,170	-
- Others	216,498,811,940	(6,257,134,315)	346,838,572,570	(5,994,525,606)
	<b>425,957,850,617</b>	<b>(6,257,134,315)</b>	<b>547,563,182,061</b>	<b>(5,994,525,606)</b>



6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Kim Hung Thinh Company Limited	8,269,023,781	-	-	-
- Chamundi Natural Stones	3,454,469,039	-	3,687,169,039	-
- Muradir	2,772,467,552	-	1,029,010,769	-
- JAF Globle	1,594,770,352	-	1,175,078,571	-
- Tuan Hoan Company Limited	1,000,000,000	-	-	-
- Others	21,587,997,897	(100,290,000)	16,421,330,387	(586,717,023)
	<b>38,678,728,621</b>	<b>(100,290,000)</b>	<b>22,312,588,766</b>	<b>(586,717,023)</b>

7. SHORT- TERM LOAN RECEIVABLE

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Granite Manufacturing Company Limited	117,836,388,281	-	123,071,644,438	-
- Phu Tai Dong Nai One-member Company Limited	-	-	12,609,730,855	-
- Toyota Da Nang One-member Company Limited	-	-	140,623,329,010	-
- Tuan Dat Minerals One-member Company Limited	33,493,297,478	-	44,255,960,794	-
- Universal Stone Joint Stock Company	5,028,855,095	-	8,087,327,145	-
- Toyota Binh Dinh One-member Company Limited	-	-	43,963,719,601	-
- Thanh Chau Phu Yen Granite Company Limited	16,521,332,514	-	10,072,420,886	-
- Van Phu - Mineral., JSC	3,744,480,933	-	3,490,294,769	-
- Phu Tai Quartz Stone Company Limited	269,785,592,049	-	27,669,160,989	-
- Phu Tai Real Estate Co., Ltd	1,390,854,507	-	31,024,047,890	-
- Son Phat Production and Trading Company Limited	54,409,138,148	-	42,341,175,953	-
- Vina G7 Joint Stock Company	7,038,643,826	-	9,500,000,000	-
- Wood Company Limited Phu Tai Binh Dinh	26,747,229,734	-	-	-
	<b>535,995,812,565</b>	<b>-</b>	<b>496,708,812,330</b>	<b>-</b>

As at 30 December 2020 and 01 January 2020, all short-term loans under short-term loan contracts between the Company and its subsidiaries are unsecured with term of 12 months, and floating interest rates. The loans are in VND and served for the business and production activities.

## 8. OTHER RECEIVABLES

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Short-term</b>				
Deposits, collateral	230,310,609	-	2,158,840,432	-
Advances to employees	4,151,259,196	-	9,539,655,924	-
Other receivables	14,489,275,195	-	5,507,879,801	-
- <i>Deposit interest receivable</i>	1,238,118,282	-	350,684,932	-
- <i>Receivables from sale of securities</i> <sup>(8.1)</sup>	7,219,604,000	-	-	-
- <i>Dividen</i>	3,115,402,000	-	3,844,634,500	-
- <i>Receivables from social insurance, health insurance, unemployment insurance</i>	1,384,860,541	-	905,958,555	-
- <i>Others</i>	1,531,290,372	-	406,601,814	-
	<b>18,870,845,000</b>	<b>-</b>	<b>17,206,376,157</b>	<b>-</b>
<b>b) Long-term</b>				
Collateral, deposits	7,564,099,352	-	7,080,198,081	-
- <i>Environmental restoration deposits</i> <sup>(8.2)</sup>	6,602,119,852	-	6,118,218,581	-
- <i>Contract deposits</i>	961,979,500	-	961,979,500	-
Other receivables	2,910,626,789	-	3,156,035,589	-
- <i>Receivables from site clearance which are offset against land rental at Thang Loi Enterprise</i> <sup>(8.3)</sup>	2,910,626,789	-	3,156,035,589	-
	<b>10,474,726,141</b>	<b>-</b>	<b>10,236,233,670</b>	<b>-</b>

<sup>(8.1)</sup> This is the proceeds from sale of securities of Agribank Securities Joint Stock Company (AGR) but not yet recognized as at 31 December 2020.

<sup>(8.2)</sup> This is the deposits for environmental restoration after mining, which the company paid according to the Decision No. 18/2013/QĐ-TTg by the Prime Minister dated 29 March 2013 on environmental improvement and remediation in mineral extraction.

<sup>(8.3)</sup> During the period, the Company has offset the payable land rental according to the land rental notification in 2020 with compensation for site clearance.

## 9. SHORTAGE OF ASSETS AWAITING RESOLUTION

As at 31 December 2020, Shortage of assets awaiting resolution are inventories with an estimated cost of VND 61.9 billion and the residual value of finished good warehouse worth VND 4.3 billion related to a fire incident at 9:00 p.m on September 4, 2020 at Thang Loi Enterprise, Phuoc Thanh Commune, Tuy Phuoc District, Binh Dinh Province. This event caused damage to the above assets to the Company, information about the cause, damages and compensation is as follows:

- According to the investigation report of the Investigation Police Agency on 21 September 2020, the cause of the

- fire was due to electrical problems at pillars T2, T4, T7; excluding the possibility of burning from outside, no criminal detected.
- Before the fire, the Company signed a contract of risk insurance for all assets, including compulsory fire insurance No. 0000007/HD/011-04/PHH.TS.2.1/2020 dated 17 July 2020 with Binh Dinh Post Insurance Company. Total value of insured property is VND 297,779,910,472. Immediately after the fire, the Insurance Company and the Company appointed VRS VietAdjusters Joint Stock Company as an independent assessor to conduct a scene inspection, assess the cause and extent of the damages as well as liability insurance for damages.
  - According to the on-site inspection report dated 13 September 2020 of the VRS VietAdjusters, the fire caused damage to groups of assets, including:
    - + Factory and fire protection system: The finished product warehouse and the fire protection system in this warehouse are completely lost, garage, fence wall, oil storage warehouse, etc. are negligible;
    - + Machinery and equipment: forklift, pallet system (in finished product warehouse) are completely damaged;
    - + Materials: mattresses, assembly instructions, hanging tags, color pictures, copper mark, bacode, fire mark, packaging, foam;
    - + Semi-finished products awaiting packaging and packaged finished products awaiting shipment;
    - + The mattress of Saigon house will be packed with the Enterprise's products into the same carton and container for export to Pacific Trends Far.
  - Based on the results of site inspection, the Company has made an estimate of the value of losses caused by the fire is VND 66,192,331,602, of which: Residual value of fixed assets is VND 4,282,566,170, the raw material with an estimated value of VND 6,078,261,701, the finished product with an estimated value of VND 30,164,284,529 and the semi-finished product with an estimated value of VND 25,667,219,202.
  - On 8 October 2020, Binh Dinh Post Insurance Company has transferred in advance the compensation to the Company with the amount of VND 10,000,000,000 (Note 21).

Up to the time of this report, the Independent Inspection Agency has collected and evaluated information, but has not announced the assessment results, thus the insurance liability as well as compensation estimation for the Company's losses have not been made. Therefore, as at 31 December 2020, the Company recorded the damaged assets due to the fire mentioned above in the item Shortage of assets awaiting resolution. The value of the loss or indemnity will be recognized by the Company in the income statement when the inspection is completed with the agreement of the insurance agency. The Board of Management evaluates and believes that the compensation value from the insurance will fully compensate for the actual damage arising from the above incident.



### 10. DOUBTFUL DEBTS

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

	31/12/2020		01/01/2020	
	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	235,001,595
Vuong Minh Production and Trading Company Limited	1,465,605,000	-	1,485,605,000	1,039,923,500
Cattie Europa S.L	724,304,767	-	839,879,767	-
Trung Nam Investment and Construction JSC	-	-	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	-
Others	2,731,413,017	679,473,705	2,416,750,479	372,294,391
	<b>7,271,899,615</b>	<b>914,475,300</b>	<b>8,228,462,115</b>	<b>1,647,219,486</b>

### 11. INVENTORIES

	31/12/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Goods in transit	-	-	1,041,594,319	-
Raw materials	320,652,858,371	-	308,230,317,414	-
Tools, supplies	26,540,000	-	15,760,750	-
Work in process	181,827,696,748	-	283,280,105,352	-
Finished goods	172,297,467,436	-	128,338,881,358	-
Goods	27,227,558,170	-	26,359,234,815	-
Consignments	1,094,619,709	-	-	-
	<b>703,126,740,434</b>	<b>-</b>	<b>747,265,894,008</b>	<b>-</b>

### 12. PREPAID EXPENSES

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
- Mining expenses	1,778,883,356	2,485,525,750
- Tools and supplies awaiting for allocation	6,587,767,133	11,913,281,942
- Expenditure on fixing machinery, equipment, factories	6,600,524,167	2,189,737,920
- Insurance expenses	1,876,310,123	3,364,497,773
- Other short-term prepaid expenses	2,790,851,570	1,540,247,326
	<b>19,634,336,349</b>	<b>21,493,290,711</b>

	31/12/2020	01/01/2020
	VND	VND
<b>b) Long- term</b>		
- Land and infrastructure rental expenses of Granite Processing Plant in Hung Yen Province <sup>(12.1)</sup>	-	30,203,301,329
- Land and infrastructure rental expenses of Phu Cat Wood Processing Plant in Binh Dinh Province <sup>(12.2)</sup>	15,630,858,137	16,064,013,317
- Land and infrastructure rental expenses of Granite Processing Plant in Binh Dinh Province <sup>(12.3)</sup>	12,014,779,366	12,343,301,201
- Expenses for the right to use leased land in Dien Tan, Dien Khanh, Khanh Hoa Province <sup>(12.4)</sup>	10,543,838,384	10,958,585,859
- Land rental expenses and maintenance of Phu Cat Industrial Park <sup>(12.5)</sup>	-	9,919,007,556
- Infrastructure rental expenses of Long My Factory, Binh Dinh Province <sup>(12.6)</sup>	12,557,400,616	8,333,333,762
- Land rental for Dak Nong factory	1,017,140,625	1,287,828,125
- Tools and supplies awaiting for allocation	15,973,461,599	14,148,253,396
- Expenses for mining	6,564,442,327	11,622,185,143
- Expenditure on overhaul of machinery, equipment, factories	7,650,422,782	9,183,598,723
- Other long-term prepaid expenses	2,384,874,198	5,369,478,150
	<b>84,337,218,034</b>	<b>129,432,886,561</b>

<sup>(12.1)</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. During the year, the Company has decided to terminate the operation of Hung Yen paving stone processing factory. The Company transferred the land use rights associated with this infrastructure (Note 33).

<sup>(12.2)</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>(12.3)</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>(12.4)</sup> This is the amount that the Company has paid to households under land transfer contracts to serve the quarry work in Dien Tan commune, Dien Khanh district, Khanh Hoa province, the time of allocation is 50 years from January 2019.

<sup>(12.5)</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. During the year, the Company used this land rental and infrastructure to contribute capital to Phu Tai Binh Dinh Wood Company Limited (Note 4).

<sup>(12.6)</sup> This is the rental of infrastructure 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 is until the end of 31 December 2048 serving the construction of Long My stone processing factory.

13. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation	Office equipment	Total
	VND	VND	VND	VND	VND
<b>Historical cost</b>					
Opening balance	604,569,282,693	712,020,126,235	204,813,217,753	1,716,059,929	1,523,118,686,610
- Completed construction investment	36,851,001,481	98,256,105,553	22,544,846,306	-	157,651,953,340
- Liquidation, disposal <sup>(i)</sup>	(25,973,953,146)	(79,141,967,523)	(16,673,456,699)	-	(121,789,377,368)
- Decrease due to transfer to shortage of assets awaiting resolution relating to the fire incident at Thang Loi Enterprise	(7,350,957,724)	(3,723,663,586)	-	-	(11,074,621,310)
<b>Ending balance</b>	<b>608,095,373,304</b>	<b>727,410,600,679</b>	<b>210,684,607,360</b>	<b>1,716,059,929</b>	<b>1,547,906,641,272</b>
<b>Accumulated depreciation</b>					
Opening balance	209,061,725,499	306,272,126,112	98,432,720,641	1,566,633,871	615,333,206,123
- Depreciation for the year	54,297,751,594	73,778,870,230	13,686,099,324	12,787,879	141,775,509,027
- Liquidation, disposal <sup>(i)</sup>	(12,875,852,265)	(45,816,969,767)	(8,580,936,766)	-	(67,273,758,798)
- Decrease due to transfer to shortage of assets awaiting resolution relating to the fire incident at Thang Loi Enterprise	(4,727,540,816)	(2,064,514,324)	-	-	(6,792,055,140)
<b>Ending balance</b>	<b>245,756,084,012</b>	<b>332,169,512,251</b>	<b>103,537,883,199</b>	<b>1,579,421,750</b>	<b>683,042,901,212</b>
<b>Net carrying amount</b>					
Opening balance	395,507,557,194	405,748,000,123	106,380,497,112	149,426,058	907,785,480,487
<b>Ending balance</b>	<b>362,339,289,292</b>	<b>395,241,088,428</b>	<b>107,146,724,161</b>	<b>136,638,179</b>	<b>864,863,740,060</b>

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the period: VND 458,031,268,186;
- Original cost of fully depreciated tangible fixed assets but still in use at the end of the year is: VND 231,792,966,578.

<sup>(i)</sup> Including liquidation of Hung Yen Factory's assets (Note 33).



**14. INTANGIBLE FIXED ASSETS**

	Site preparation expenses	Mining right	Total
	VND	VND	VND
<b>Historical cost</b>			
Opening balance	15,579,099,436	9,069,967,367	24,649,066,803
Ending balance	<u>15,579,099,436</u>	<u>9,069,967,367</u>	<u>24,649,066,803</u>
<b>Accumulated amortization</b>			
Opening balance	9,722,029,801	1,462,074,253	11,184,104,054
- Depreciation for the year	1,346,769,373	454,248,654	1,801,018,027
Ending balance	<u>11,068,799,174</u>	<u>1,916,322,907</u>	<u>12,985,122,081</u>
<b>Net carrying amount</b>			
Opening balance	5,857,069,635	7,607,893,114	13,464,962,749
Ending balance	<u>4,510,300,262</u>	<u>7,153,644,460</u>	<u>11,663,944,722</u>

- Original cost of fully depreciated intangible fixed assets but still in use at the end of the year is: VND 1,204,097,065.

**15. CONSTRUCTION IN PROGRESS**

	31/12/2020	01/01/2020
	VND	VND
<b>Construction in progress</b>	<b>1,207,970,746</b>	<b>6,337,616,691</b>
- Project of expanding Long My 2 Granite Processing Plant in Quy Nhon, Binh Dinh Province <sup>(15.1)</sup>	-	6,250,193,169
- Other projects	1,207,970,746	87,423,522
<b>Purchase of fixed assets</b>	<b>1,137,803,891</b>	<b>12,770,212,853</b>
- Machinery and equipment for stone exploitation	514,611,341	9,889,209,570
- Machinery and equipment for wood	623,192,550	2,881,003,283
	<u>2,345,774,637</u>	<u>19,107,829,544</u>

<sup>(15.1)</sup> According to Decision No. 107A/QD-CTHDQT dated 30 October 2019 of the Chairman of the Board of Members, the Company conducted the Project of expansion Granite processing factory - Long My 2 with total investment of VND 23.9 billion on the scale of 30,075 m<sup>2</sup>; Investment purpose is to build 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 at Long My Industrial Zone, Phuoc My district, Quy Nhon city, Binh Dinh province; Implementation time starting from November 2019. In the period, the project has been completed and put into use.

16. SHORT-TERM TRADE PAYABLES

	31/12/2020		01/01/2020	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
- Hoang Giang Company Limited	25,997,189,374	25,997,189,374	17,777,389,841	17,777,389,841
- Thanh Danh Co., Ltd	19,908,028,529	19,908,028,529	15,840,230,538	15,840,230,538
- Sudima Panels Company Limited	17,329,441,501	17,329,441,501	-	-
- Vu Tin Co., Ltd	9,420,835,250	9,420,835,250	20,560,707,515	20,560,707,515
- Jiang Da Chen Company Limited	8,585,317,200	8,585,317,200	12,627,680,050	12,627,680,050
- Lundhs Labrador A/S	8,489,288,897	8,489,288,897	9,922,547,925	9,922,547,925
- Quy Nhon Pillow Mattress Joint Stock Company	7,926,911,740	7,926,911,740	10,863,869,390	10,863,869,390
- Binh Thanh Co., Ltd	4,902,094,700	4,902,094,700	6,649,960,125	6,649,960,125
- Phuoc Long Import Export Trading Co., Ltd	4,897,584,218	4,897,584,218	6,583,338,343	6,583,338,343
- Hoang Tam Co., Ltd	3,480,450,387	3,480,450,387	2,998,620,386	2,998,620,386
- Quang Trung Engineering and Construction Joint Stock Company	378,682,707	378,682,707	2,164,878,293	2,164,878,293
- Others	245,292,446,302	245,292,446,302	217,487,878,894	217,487,878,894
	<b>356,608,270,805</b>	<b>356,608,270,805</b>	<b>323,477,101,300</b>	<b>323,477,101,300</b>

**17. 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 the	Tax payable at the end of the year
	VND	VND	VND	VND	VND	VND
Value-added tax	-	7,762,185,024	85,564,509,312	88,897,444,091	-	4,429,250,245
Export, import duties	-	-	2,542,256,325	2,542,256,325	-	-
Corporate income tax	-	51,403,590,002	58,110,019,697	51,434,894,909	-	58,078,714,790
Personal income tax	-	173,179,902	7,578,311,607	7,344,664,840	9,916,423	416,743,092
Natural resource tax	-	2,619,083,782	17,647,602,381	18,642,671,160	-	1,624,015,003
Land tax and land rental	71,693,800	-	1,906,506,965	1,911,999,281	77,186,116	-
Other taxes	-	-	19,000,000	19,000,000	-	-
Fees, charges and other payables	-	5,611,892,083	14,529,868,519	14,016,743,151	-	6,125,017,451
	<b>71,693,800</b>	<b>67,569,930,793</b>	<b>187,898,074,806</b>	<b>184,809,673,757</b>	<b>87,102,539</b>	<b>70,673,740,581</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.

18. BORROWINGS AND FINANCE LEASE LIABILITIES

	01/01/2020		During the year		31/12/2020	
	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	1,301,925,277,992	1,301,925,277,992	3,298,199,953,526	3,553,957,943,909	1,046,167,287,609	1,046,167,287,609
Current portion of long-term borrowings	55,028,141,640	55,028,141,640	124,197,250,040	74,152,483,000	105,072,908,680	105,072,908,680
	<b><u>1,356,953,419,632</u></b>	<b><u>1,356,953,419,632</u></b>	<b><u>3,422,397,203,566</u></b>	<b><u>3,628,110,426,909</u></b>	<b><u>1,151,240,196,289</u></b>	<b><u>1,151,240,196,289</u></b>
<b>b) Long-term borrowings</b>						
Long-term borrowings	100,528,214,278	100,528,214,278	32,714,698,740	46,857,390,248	86,385,522,770	86,385,522,770
Common bonds	79,838,658,337	79,838,658,337	210,059,405,718	74,588,000,003	215,310,064,052	215,310,064,052
	<b><u>180,366,872,615</u></b>	<b><u>180,366,872,615</u></b>	<b><u>242,774,104,458</u></b>	<b><u>121,445,390,251</u></b>	<b><u>301,695,586,822</u></b>	<b><u>301,695,586,822</u></b>
Amount due for settlement within 12 months	(55,028,141,640)	(55,028,141,640)	(124,197,250,040)	(74,152,483,000)	(105,072,908,680)	(105,072,908,680)
<b>Amount due for settlement after 12 months</b>	<b><u>125,338,730,975</u></b>	<b><u>125,338,730,975</u></b>			<b><u>196,622,678,142</u></b>	<b><u>196,622,678,142</u></b>

**Detailed information on short-term borrowings**

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

	Currency	Interest rate/ year	Loan purpose	Loan guarantee	31/12/2020		01/01/2020	
					Original currency	VND	Original currency	VND
<b>Short-term borrowings(VND)</b>						<b>439,542,409,014</b>		<b>864,777,319,674</b>
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	VND	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>		250,564,702,609		340,271,434,048
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	VND	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>		64,716,108,011		306,061,686,196
- Military Commercial Joint Stock Bank - Binh Dinh Branch	VND	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>		52,336,077,979		175,974,323,430
- Joint Stock Commercial Bank for Industry and Trade of Vietnam - Phu Tai Industrial Zone Branch	VND	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>		-		26,219,876,000
- Toyota Binh Dinh Company Limited	VND	0%/year	For manufacturing and trading operations	Unsecured		6,769,953,887		-
- Toyota Danang Company Limited	VND	0%/year	For manufacturing and trading operations	Unsecured		15,152,666,528		-
- Short-term Personal loans	VND	Specified in each	For manufacturing and trading operations	Unsecured		50,002,900,000		16,250,000,000
<b>Short-term borrowings (USD)</b>					<b>26,142,797.66</b>	<b>606,624,878,595</b>	<b>18,817,737.66</b>	<b>437,147,958,318</b>
- Military Commercial Joint Stock Bank - Binh Dinh Branch	USD	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>	1,682,406	39,023,407,170	2,382,495	55,357,277,134
- Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch	USD	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>	2,693,966	62,473,081,048	1,350,238	31,366,037,567
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch	USD	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>	12,803,007	297,221,811,452	3,573,045	83,001,840,228
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch	USD	Floating rate	For manufacturing and trading operations	Collateral asset <sup>(i)</sup>	1,796,546	41,706,815,390	3,887,864	90,315,076,539



(ii) The Company issued bonds under each bond purchase and sale contract. Specifically:

- According to the plan of private offering 650 bonds with face value of VND 100,000,000/bond under Resolution No. 62/NQ-HDQT dated 17 May 2019 through issuing agents for less than 100 investors with the purpose to pay for the transfer cost of 99% of the capital at Son Phat Trading and Production Co., Ltd and the cost of BCC contract between Phu Tai and Son Phat to pay for the transfer of 25 hectares of forest land in Dien Tan, Khanh Hoa. On 10 June 2019, the Company successfully issued 650 individual bonds (face value of VND 100 million/bond, accounting for 100% of the planned number of bonds to be issued) to one investor, the Military Commercial Joint Stock Bank - Binh Dinh Branch; issue price is equal to 100% of face value; bond type is a certificate; Bond term is 36 months from the date of issue; The bond 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; Collaterals are: Workshop, machinery and equipment owned by Son Phat Trading and Production Company Limited; Right to exploit quarry in Cay Sung 3 area, Dien Tan commune, Dien Khanh district, Khanh Hoa province.
- According to the plan of private offering 1,500 bonds with face value of VND 100,000,000/bond under Resolution No. 105/NQ-HDQT dated 22 October 2019 through issuing agents for less than 100 investors with the purpose of implementation of quartz factory in Nhon Trach Textile Industrial Park - Dong Nai. The Company has successfully issued 1060 individual bonds to one investor, Military Commercial Joint Stock Bank - Binh Dinh Branch through 3 issuance phases: phase 1 on 12 November 2019 with 204 bonds, phase 2 on 17 December 2019 with 256 bonds, phase 3 on 16 January 2020 with 600 bonds and phase 4 on 21 August 2020 with 440 bonds; issue price is equal to 100% of the bond value; bond type is certificate; Bond term is 60 months from the date of issue; The bond 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, term is 24 months; The collateral is: 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. 43/HDTLQSDD-VNT/KD-2019 dated 8 August 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 in Nhon Trach Textile Industrial Park - Dong Nai.
- According to the plan of private offering 348 bonds with par value of VND 100,000,000/bond under Resolution No. 108/NQ-HDQT dated 18 November 2020 through issuance agents for less than 100 investors with the purpose of payment for the cost to implement the project of artificial quartz factory in Nhon Trach Textile Industrial Park - Dong Nai. On 30 November 2020, the Company successfully issued 348 individual bonds (par value of VND 100 million/bond, accounting for 100% of bonds issued) to Military Commercial Joint Stock Bank - Binh Dinh Branch; issue price is equal to 100% of par value; bond type is certificate; The term is 1443 days from the date of issue; The bond interest rate is calculated by 2.7%/year plus the reference interest rate, in which the reference interest rate for each interest period is calculated by 2.7% plus the interest rate of flexible medium and long term savings products with tenor of 24-month of Military Commercial Joint Stock Bank; The collateral is: Property rights arising from the land lease contract between Phu Tai Quartz Stone Company Limited and Vinatex - Tan Tao Investment Corporation under the land lease contract No. 42/HDTLQSDD-VNT/KD - 2019 dated 8 August 2019; all factories, offices and other assets attached to the land formed in the future and production lines under the Artificial Quartz Factory Project in Nhon Trach Textile Industrial Park - Dong Nai.

In each issuance phases, the Company signed with Military Commercial Joint Stock Bank - Binh Dinh Branch the bond purchase and sale contracts. Besides, the Company also signed with this Bank the account management contracts, under which the Company appoints the account management organization as Military Commercial Joint Stock Bank - Binh Dinh Branch to provide related services in one account to keep the proceeds from the bond issue and make payment for the right purpose of using bond capital as specified in the Information Disclosure (referred as Bond Account); and one account to keep the amount used to pay the principal, interest and other obligations of the Company related to the bonds (referred the Loan Provision Account).

According to Appendix 1 of the Account Management Contract No. 01/HD-MB dated 12 November 2019, the Company has agreed with the Military Commercial Joint Stock Bank - Binh Dinh Branch on the schedule to buy

back bonds at the purchase price plus accrued interest up to the time of redemption. In 2019 and 2020, the Company bought back 324 bonds, equivalent to the amount of VND 32,400,000,000.

As at 31 December 2020, bond principal balance is VND 215,310,064,052 (including issuance fee awaiting allocation of VND 1,797,489,018) corresponding to 2,174 bonds; The number of bonds will be repurchased within the next 12 months is 683.8 bonds; corresponding to the principal balance of VND 68,380,000,000 which is classified as short-term debt.

**19. PREPAYMENT FROM CUSTOMERS**

	31/12/2020	01/01/2020
	VND	VND
The Sunrise Limited Company	4,112,961,398	-
Faccio IO SRL	1,870,407,146	1,074,309,768
Dat Phuong Company	1,587,335,244	1,521,306,744
Viet Nam Mechanical Service Company Limited	-	1,390,618,193
Granit Trading	-	1,039,950,000
Transport Joint Stock Company	-	1,000,000,000
Others	8,243,730,175	9,944,724,312
	<b><u>15,814,433,963</u></b>	<b><u>15,970,909,017</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

	31/12/2020	01/01/2020
	VND	VND
Accrued interest expenses	2,384,559,402	1,951,781,074
Accrued land rental	1,960,815,007	4,373,340,197
Accrued electricity expenses	299,148,707	528,601,964
Accrued commission expenses	1,535,771,382	2,058,041,248
Accrued transportation expenses	1,109,866,430	965,879,365
Accrued design and material expenses	687,544,437	1,163,075,691
Accrued expenses of import and export processing	28,915,862	56,493,520
Others	441,971,246	322,764,806
	<b><u>8,448,592,473</u></b>	<b><u>11,419,977,865</u></b>



**21. OTHER PAYABLES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
Trade union fee	3,215,632,156	1,846,060,201
Social insurance	81,090,877	81,075,570
Health insurance	14,007,886	15,041,955
Unemployment insurance	7,592,933	6,149,744
Others	17,205,141,693	6,238,908,326
- Land rental to Financial Department - Ministry of Defence	3,261,351,300	3,261,351,000
- Labour Union, Communist membership fee	1,295,465,070	902,047,469
- Advances payable to employees	251,023,699	380,062,017
- Donation funds	386,461,577	312,363,577
- Payables to Military zone No. 05	122,000,000	122,000,000
- Dividends payable to Owners	200,278,000	77,682,200
- Allowances payable to employees	16,119,700	29,445,928
- Insurance indemnity advance <sup>(21.1)</sup>	10,000,000,000	-
- Loan interest payables to individuals	1,276,402,761	-
- Others	396,039,586	1,153,956,135
	<b>20,523,465,545</b>	<b>8,187,235,796</b>
<b>b) Long-term</b>		
Long-term deposits, collateral received	2,781,284,928	3,962,083,329
	<b>2,781,284,928</b>	<b>3,962,083,329</b>

(21.1) This is an advance payment by Binh Dinh Post Insurance Company to compensate for the loss of the fire incident at Thang Loi Enterprise (details are in Note 9).

**22. PROVISIONS FOR PAYABLES**

	31/12/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
- Cost of mineral mining right <sup>(22.1)</sup>	4,405,733,967	4,405,733,967
	<b>4,405,733,967</b>	<b>4,405,733,967</b>
<b>b) Long-term</b>		
- Cost of environmental restoration	4,729,460,145	4,094,874,322
- Land rental without contract	2,822,400,000	-
	<b>7,551,860,145</b>	<b>4,094,874,322</b>

(22.1) Regarding the cost of Mineral mining rights of stone mines in Binh Dinh. There is no notification from Binh Dinh Department of Tax so the Company has temporarily recognized it as accrued expenses in accordance with the regulations of the Decree No. 67/2019/ND-CP dated 31 July 2019 of the Government.

23. 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>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 previous 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	-	-	-	(82,808,934,273)	-	(82,808,934,273)
<b>Ending balance of previous 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>
Profit of the this year	-	-	-	-	305,452,202,126	305,452,202,126
Dividends distributed in the form of cash	-	-	-	-	(139,412,803,000)	(139,412,803,000)
Other capital	-	-	252,892,783,261	-	(252,892,783,261)	-
Bonus and welfare fund	-	-	-	-	(20,647,662,435)	(20,647,662,435)
Redemption of treasury shares <sup>(i)</sup>	-	-	-	(55,755,525,591)	-	(55,755,525,591)
<b>Ending balance of this year</b>	<b>485,994,410,000</b>	<b>161,624,725,852</b>	<b>1,002,948,090,483</b>	<b>(138,564,459,864)</b>	<b>305,452,202,126</b>	<b>1,817,454,968,597</b>

<sup>(i)</sup> During the year, according to Resolution No. 27/NQ-HDQT and the plan No. 25/PA-HDQT dated as at 25 March 2020 to repurchase shares for treasury shares. The Company has registered to redeem 1,500,000 shares for treasury shares in order to reduce the number of outstanding shares, increase the transaction value through matching or agreement trading. However, due to changes in share prices, the Company successfully purchased 1,240,260 shares with the average trading price of VND 44,955/share.

Under the Resolution No. 02/NQ-DHDCD dated 19 June 2020 of the Company's Annual General Shareholders' Meeting, the Company announced the distribution of profit for 2019 as follows:

	Rate	Amount
	%	VND
Net profit after tax year 2019		412,953,248,696
Bonus and welfare fund	5.00%	20,647,662,435
Transfer to other capital	61.24%	252,892,783,261
Dividends distributed in form of cash (equivalent to VND 3,000 per share)	30%/ Authorized capital	139,412,803,000

**b) Details of contributed capital**

	31/12/2020	Rate	01/01/2020	Rate
	VND	%	VND	%
Mr Le Vy	59,624,850,000	12.27%	57,624,580,000	11.86%
Mr Le Van Thao	38,008,330,000	7.82%	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	26,996,980,000	5.55%	24,996,980,000	5.14%
Others	333,378,230,000	68.60%	339,813,500,000	69.92%
<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 2020	Year 2019
	VND	VND
<b>Owners' contributed capital</b>		
- At the beginning of the year	485,994,410,000	485,994,410,000
- At the end of the year	485,994,410,000	485,994,410,000
<b>Distributed dividends and profits</b>		
- Dividends, profit payable at the beginning of the year	77,682,200	76,095,000
- Dividends, profit payable in the year	139,412,803,000	151,358,211,200
+ Dividends and profits distributed from the previous year	139,412,803,000	151,358,211,200
- Dividends, profits paid in money	139,290,207,200	151,356,624,000
+ Dividends and profits distributed from the previous year	139,290,207,200	151,356,624,000
- At the end of the year	200,278,000	77,682,200

**d) Shares**

	31/12/2020	01/01/2020
Quantity of Authorized issuing shares	48,599,441	48,599,441
Quantity of shares issued and contributed capital	48,599,441	48,599,441
- Common shares	48,599,441	48,599,441
Quantity of redeemed shares (treasury shares)	2,540,260	1,300,000
- Common shares	2,540,260	1,300,000
Quantity of outstanding shares in circulation	46,059,181	47,299,441
- Common shares	46,059,181	47,299,441
Par value per share: VND 10,000		

## 24. 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.

The Company signs contracts to lease land and industrial park infrastructure (details in Note 12.1, 12.2, 12.3, 12.4, 12.5, 12.6) for the purpose of serving production and business activities in industrial zones where the Company have production and business facilities. The company has paid the rent once for the entire lease term.

### b) Property received for custody

Goods received for sale as at 31/12/2020 are 466 sets of tables and chairs of Anavil Company LTD sent for sale at Thang Loi Enterprise with a total value of VND 4,059,959,296 .

### c) Foreign currencies

	31/12/2020	01/01/2020
USD	1,300,317.76	855,362.95
EUR	12,138.08	1,680.89

### d) Doubtful debts written-offs

	31/12/2020	01/01/2020
	2,126,477,030	2,126,477,030

## 25. TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2020	Year 2019
	VND	VND
Revenue from sale of goods	3,444,116,801,539	2,821,244,919,842
- Wood products	2,107,620,796,397	1,512,346,014,458
- Stone products	1,316,582,957,481	1,274,697,249,889
- Others	19,913,047,661	34,201,655,495
Revenue from rendering of services	2,252,657,136	1,793,056,917
- Office and factory for lease service	2,252,657,136	1,793,056,917
	<b><u>3,446,369,458,675</u></b>	<b><u>2,823,037,976,759</u></b>

## 26. REVENUE DEDUCTIONS

	Year 2020	Year 2019
	VND	VND
Sale returns	429,727,605	32,967,894
Sale discounts	582,125,000	-
	<b><u>1,011,852,605</u></b>	<b><u>32,967,894</u></b>

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

	Year 2020	Year 2019
	VND	VND
Revenue from sale of goods	3,443,104,948,934	2,821,211,951,948
- <i>Wood products</i>	2,107,191,068,792	1,512,313,046,564
- <i>Stone products</i>	1,316,000,832,481	1,274,697,249,889
- <i>Others</i>	19,913,047,661	34,201,655,495
Revenue from rendering of services	2,252,657,136	1,793,056,917
- <i>Office and factory for lease service</i>	2,252,657,136	1,793,056,917
	<b><u>3,445,357,606,070</u></b>	<b><u>2,823,005,008,865</u></b>

**28. COST OF GOODS SOLD**

	Year 2020	Year 2019
	VND	VND
Cost of goods sold	2,660,285,077,940	2,050,047,072,365
- <i>Wood products</i>	1,643,775,797,713	1,188,919,383,755
- <i>Stone products</i>	1,006,312,700,788	827,394,123,522
- <i>Others</i>	10,196,579,439	33,733,565,088
Cost of services rendered	60,840,000	52,390,000
- <i>Office and factory for lease service</i>	60,840,000	52,390,000
	<b><u>2,660,345,917,940</u></b>	<b><u>2,050,099,462,365</u></b>

**29. FINANCIAL INCOME**

	Year 2020	Year 2019
	VND	VND
Interest income	44,496,769,212	34,348,285,802
Gain from disposal of financial investments	2,352,267,596	-
Dividends or profits received	31,772,955,700	65,358,762,034
Gains from exchange rate difference arising during the year	9,821,589,557	3,300,195,077
Foreign exchange gains due to revaluation of year-end balance	2,688,769,849	820,824,276
Deferred sales interest, discount payment	74,664,460	1,809,070,052
	<b><u>91,207,016,374</u></b>	<b><u>105,637,137,241</u></b>

**30. FINANCIAL EXPENSES**

	Year 2020	Year 2019
	VND	VND
Interest expenses	87,332,642,123	81,478,185,922
Foreign exchange losses incurred during the year	13,294,436,744	3,013,515,942
Foreign exchange losses due to revaluation of year-end balance	139,056,097	293,406,344
Provision for devaluation of trading securities and loss of investment	4,963,126,869	1,836,305,758
Other financial expenses	224,486,092	-
	<b><u>105,953,747,925</u></b>	<b><u>86,621,413,966</u></b>

### 31. SELLING EXPENSES

	Year 2020	Year 2019
	VND	VND
Raw materials	159,515,249,198	82,313,684,276
Labour expenses	11,477,027,919	8,751,646,411
Depreciation expenses	232,882,624	232,882,624
Tax, Charge, Fee	13,079,759,983	14,792,833,301
Expenses of outsourcing services	107,703,685,225	82,645,648,988
Other expenses in cash	2,351,891,949	3,233,939,374
	<b><u>294,360,496,898</u></b>	<b><u>191,970,634,974</u></b>

### 32. GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2020	Year 2019
	VND	VND
Labour expenses	84,046,901,495	69,456,953,418
Tools and supplies	4,130,996,747	4,394,625,000
Depreciation expenses	8,644,707,535	8,596,526,600
Tax, Charge, Fee	5,760,441,694	6,194,201,495
Provisioning / reversal of provision expenses	(223,818,314)	2,283,723,824
Expenses of outsourcing services	13,260,564,236	14,832,308,728
Other expenses in cash	12,681,363,399	16,984,790,451
	<b><u>128,301,156,792</u></b>	<b><u>122,743,129,516</u></b>

### 33. OTHER INCOME

	Year 2020	Year 2019
	VND	VND
Gain from liquidating, disposing fixed assets <sup>(i)</sup>	17,752,929,058	638,949,671
Gain from wood sale promotion	241,392,990	308,005,592
Gain from debt collection	563,869,051	74,640,747
Gain from compensation	9,997,970	40,175,000
Gain from other services	1,409,390,250	1,147,808,347
Others	442,543,721	636,625,271
	<b><u>20,420,123,040</u></b>	<b><u>2,846,204,628</u></b>

<sup>(i)</sup> In which, income from transferring Hung Yen factory is VND 14,391,663,212. During the year, the Company issued a decision to terminate the operation of the branch - paving stone processing factory in Hung Yen province and transferred the right to use leased land, assets attached to land and other assets of the factory to Hung Think Production and Import-Export Trading Joint Stock Company. Transfer price under the contract is VND 85,000,000,000 (VAT included). At the transfer date, unallocated residual value of Land rental and Factory infrastructure is VND 29,538,681,006 net residual value of tangible fixed assets is VND 33,164,343,596 other liquidation expenses is VND 178,039,459.

**34. OTHER EXPENSES**

	Year 2020	Year 2019
	VND	VND
Residual value and expenses from liquidating, disposing fixed	135,035,243	-
Penalty due to late delivery	1,650,898,855	1,764,600,575
Local support cost	-	6,400,000
Fine for administrative and tax violations	1,488,284,599	498,964,669
Debt collection expenses	454,996,483	12,876,919
Others	1,423,386,090	570,725,689
	<b>5,152,601,270</b>	<b>2,853,567,852</b>

**35. CURRENT CORPORATE INCOME TAX EXPENSES**

	Year 2020	Year 2019
	VND	VND
Total profit before tax	362,870,824,659	477,200,142,061
In which:		
- Profits enjoying tax exemption and reduction <sup>(i)</sup>	84,898,591,263	133,885,826,908
- Non-tax-exempt Profit	277,972,233,396	343,314,315,153
Increase	7,057,300,812	3,272,191,947
- Environmental restoration costs	3,456,985,823	872,684,441
- Fines	1,488,284,599	388,089,819
- Salary of non-specialized board of directors	275,369,966	278,400,000
- Expenses without invoice	107,890,000	120,267,405
- The depreciation cost of cars is more than 1.6 billion	1,478,551,024	1,604,700,867
- Life insurance costs exceed 3 million/ person	250,219,400	87,013,950
- Unearned revenue subject to CIT upon actual collection	-	(78,964,535)
Decrease	(31,772,955,700)	(65,358,762,034)
- Dividends income which are exempted from corporate income tax	(31,772,955,700)	(65,358,762,034)
Taxable income	338,155,169,771	415,113,571,974
Corporate income tax rate	20%	20%
Current corporate income tax expense	67,631,033,954	83,022,714,395
Deductible and exemptible corporate income tax	(9,536,807,164)	(16,861,100,160)
- Deductible corporate income tax at the stone processing factory in Dong Nai province	(539,956,585)	(3,320,952,518)
- Exemptible corporate income tax at the wood processing factory in Binh Dinh province	(6,128,826,559)	(6,945,034,939)
- Deductible corporate income tax at the stone processing factory in Binh Dinh province	(2,868,024,020)	(4,365,764,028)
- Deductible corporate income tax at the stone processing factory in Hung Yen province	-	(2,229,348,675)
<b>Current corporate income tax expense</b>	<b>58,094,226,790</b>	<b>66,161,614,235</b>
Adjustments of tax expenses from previous years to this year	15,792,907	(1,740,183,982)
Tax payable at the beginning of year	51,403,590,002	19,198,453,314
Tax paid in the year	(51,434,894,909)	(32,216,293,565)
<b>Corporate income tax payable at the end of the year</b>	<b>58,078,714,790</b>	<b>51,403,590,002</b>

① 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.

### 36. DEFERRED INCOME TAX

#### a) Deferred income tax assets

	31/12/2020	01/01/2020
	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	1,538,327,056	846,929,892
<b>Deffered incom tax assets</b>	<b>1,538,327,056</b>	<b>846,929,892</b>

#### b) Deferred income tax expense

	Year 2020	Year 2019
	VND	VND
Deferred income tax liabilities related to taxable temporary difference	(1,538,327,056)	(846,929,892)
Offsetting against deferred income tax assets	846,929,892	672,393,004
	<b>(691,397,164)</b>	<b>(174,536,888)</b>

### 37. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2020	Year 2019
	VND	VND
Raw materials	1,357,530,584,851	1,212,486,295,838
Labour expenses	286,463,144,840	229,862,321,272
Tools and supplies	38,188,293,744	30,370,261,235
Depreciation expenses	143,576,527,056	126,238,834,541
Tax, Charge, Fee	50,348,357,866	30,783,640,171
Provisioning / reversal of provision expenses	(223,818,314)	2,283,723,824
Expenses of our sourcing services	501,119,608,755	425,626,394,395
Other expenses in cash	44,246,335,947	36,475,119,997
	<b>2,421,249,034,745</b>	<b>2,094,126,591,273</b>



**38. FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2020		01/01/2020	
	Original cost VND	Provision VND	Original cost VND	Provision VND
<b>Financial Assets</b>				
Cash and cash equivalents	97,217,893,073	-	91,303,462,046	-
Trade and other receivables	455,303,421,758	(6,257,134,315)	575,005,791,888	(5,994,525,606)
Loans	635,995,812,565	-	546,708,812,330	-
Short-term Investment	12,153,038,334	-	-	-
	<b>1,200,670,165,730</b>	<b>(6,257,134,315)</b>	<b>1,213,018,066,264</b>	<b>(5,994,525,606)</b>

	Carrying amount	
	31/12/2020	01/01/2020
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	1,347,862,874,431	1,482,292,150,607
Trade and other payables	379,913,021,278	335,626,420,425
Accrued expenses	8,448,592,473	11,419,977,865
	<b>1,736,224,488,182</b>	<b>1,829,338,548,897</b>

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.

**Price risk:**

The Company is exposed to equity risk price risks arising from short-term and long-term equity investments due to the uncertainty of the future price of its investment. Long-term equity investments are held for long-term strategic purposes. At the balance sheet date, the Company has no plan to sell these investments.

	Under 1 year VND	More than 1 year VND	More than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Short-term Investment	12,153,038,334	-	-	12,153,038,334
	<b>12,153,038,334</b>	<b>-</b>	<b>-</b>	<b>12,153,038,334</b>

**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 VND	More than 1 year VND	More than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Cash and cash equivalents	97,217,893,073	-	-	97,217,893,073
Trade and other receivables	438,571,561,302	10,474,726,141	-	449,046,287,443
Loans	635,995,812,565	-	-	635,995,812,565
	<b>1,171,785,266,940</b>	<b>10,474,726,141</b>	<b>-</b>	<b>1,182,259,993,081</b>
<b>As at 01/01/2020</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
Loans	546,708,812,330	-	-	546,708,812,330
	<b>1,196,787,306,988</b>	<b>10,236,233,670</b>	<b>-</b>	<b>1,207,023,540,658</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	More than 1 year	More than 5 years	Total
	VND	VND	VND	VND
<b>As at 31/12/2020</b>				
Borrowings and debts	1,151,240,196,289	196,622,678,142	-	1,347,862,874,431
Trade and other payables	377,131,736,350	2,781,284,928	-	379,913,021,278
Accrued expenses	8,448,592,473	-	-	8,448,592,473
	<b>1,536,820,525,112</b>	<b>199,403,963,070</b>	<b>-</b>	<b>1,736,224,488,182</b>
<b>As at 01/01/2020</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>

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.

### 39. ADDITIONAL INFORMATION FOR THE ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS

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

	Year 2020	Year 2019
	VND	VND
Proceeds from ordinary contracts	3,330,914,652,266	3,871,069,900,958
Proceeds from issuance of common bonds	210,059,405,718	90,638,658,337

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

	Year 2020	Year 2019
	VND	VND
Repayment on principal from ordinary contracts	3,600,815,334,157	3,607,585,020,475
Repayment on principal of common bonds	74,588,000,003	10,800,000,000

### 40. 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.

#### 41. 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	1,316,000,832,481	2,107,191,068,792	22,165,704,797	3,445,357,606,070	-	3,445,357,606,070
- Domestic	821,511,826,512	470,996,739,628	22,165,704,797	1,314,674,270,937	-	1,314,674,270,937
- Export	494,489,005,969	1,636,194,329,164	-	2,130,683,335,133	-	2,130,683,335,133
Cost of goods sold	1,006,312,700,788	1,643,775,797,713	10,257,419,439	2,660,345,917,940	-	2,660,345,917,940
<b>Net profit from business activities</b>	<b>309,688,131,693</b>	<b>463,415,271,079</b>	<b>11,908,285,358</b>	<b>785,011,688,130</b>	-	<b>785,011,688,130</b>
Total cost of acquisition of fixed assets	73,806,505,017	67,083,393,416	-	140,889,898,433	-	140,889,898,433
Segment assets	969,104,521,798	2,480,376,286,849	-	3,449,480,808,647	(345,070,795,028)	3,104,410,013,619
Assets not allocated	-	-	-	632,196,204,195	-	632,196,204,195
<b>Total assets</b>	<b>969,104,521,798</b>	<b>2,480,376,286,849</b>	-	<b>4,081,677,012,842</b>	<b>(345,070,795,028)</b>	<b>3,736,606,217,814</b>
Segment liabilities	302,269,877,357	1,757,117,522,447	-	2,059,387,399,804	(140,236,150,587)	1,919,151,249,217
<b>Total liabilities</b>	<b>302,269,877,357</b>	<b>1,757,117,522,447</b>	-	<b>2,059,387,399,804</b>	<b>(140,236,150,587)</b>	<b>1,919,151,249,217</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.

**42. COMPARATIVE FIGURES**

The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 December 2019, which was audited by AASC Auditing Firm.

The Company has decided to reclassify some of the separate financial statements for the year ended as at 31 December 2019 for comparison with this year, specifically as follows:

	Code	Presented in the financial statements of previous year VND	Adjusted VND	Difference VND	Note
<b>a) Statement of Income</b>					
- Cost of goods sold	11	2,109,596,555,091	2,050,099,462,365	(59,497,092,726)	(1)
- Selling expenses	25	132,473,542,248	191,970,634,974	59,497,092,726	(1)
<b>b) Notes to Financial Statements</b>					
- Note 11 - Inventories					
Work in progress		367,602,947,365	283,280,105,352	(84,322,842,013)	(2)
Finished goods		44,016,039,345	128,338,881,358	84,322,842,013	(2)

(1) Reclassification Cost of packaging materials for products at Thang Loi factory last year recorded in Cost of goods sold to Selling expenses.

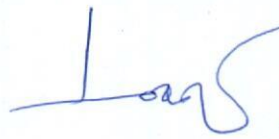
(2) Classification of products of orders with packing completed at Thang Loi Enterprise last year recorded on Work in progress.

Preparer



**Vo Phuong Thao**

Chief Accountant



**Nguyen Thi My Loan**

Binh Dinh, 26 March 2021  
General Director

