



278 LE HONG PHONG, NGUYEN VAN CU WARD,
QUY NHON CITY, BINH DINH PROVINCE



(0256) 3847 668



PHUTAI@PHUTAI.COM.VN



WWW.PHUTAI.COM.VN



JOINT STOCK COMPANY

PHU TAI

ANNUAL REPORT **2020**

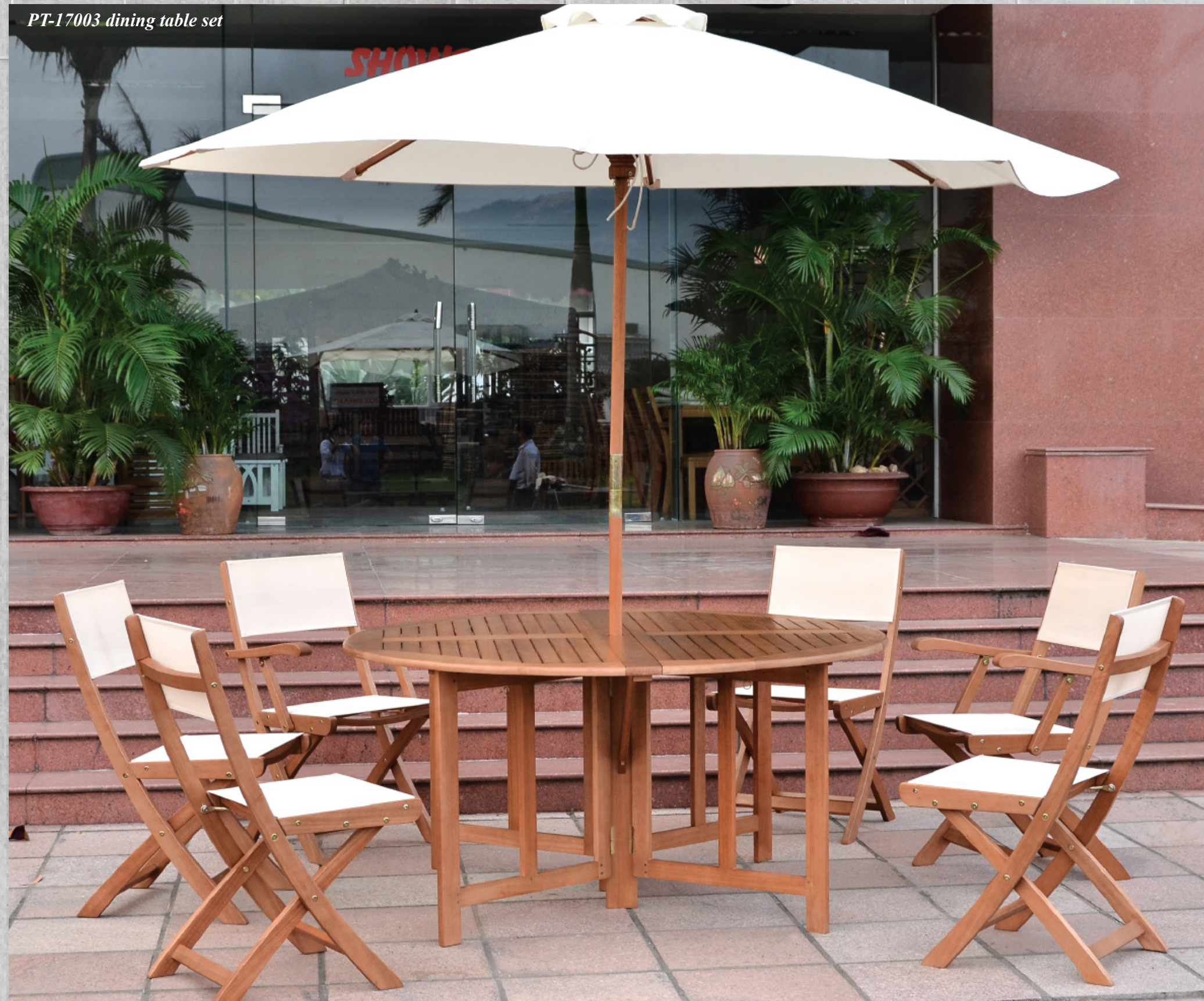


CREATIVITY

SPEED

SUSTAINABILITY

PT-17003 dining table set



HIGHLIGHTS IN 2020

TOP



JOINT STOCK COMPANY

PHU TAI

 Vietnam
Forbes

THE BEST LISTED COMPANY IN VIETNAM
 2020 VOTED BY FORBES VIETNAM



HIGHLIGHTS IN 2020

TOPPING OUT CEREMONY FOR PHU TAI RESIDENCE

Phu Tai Residence project - Central location, Class worthiness, is planned with an area of 5,830 m² of construction including one thirty-three floor block with a total of 622 apartments and 12 shop-houses. Phu Tai Residence has been the hottest name at the moment, being hunted by many people who want to find a place to "settle down" and "thrive".

Area
5,830 m²
Height
33 floors
Total
622 apartments

PHU TAI RESIDENCE

Central location

Class worthiness



TABLE OF CONTENTS

| | | |
|------------|--|----------------|
| I | GENERAL INFORMATION | Page 09 |
| II | BUSINESS AND MANUFACTURING ACTIVITIES | Page 31 |
| III | REPORT OF BOARD OF MANAGEMENT | Page 53 |
| IV | ASSESSMENT OF THE BOARD OF DIRECTORS | Page 63 |
| V | CORPORATE GOVERNANCE | Page 69 |
| VI | REPORT OF SUSTAINABLE DEVELOPMENT | Page 79 |
| VII | REPORT OF FINANCE | Page 85 |

ABBREVIATIONS

| ABBREVIATIONS | FULL MEANING |
|---------------|---|
| Co., Ltd | Company Limited |
| JSC | Joint stock company |
| HCMC | Ho Chi Minh City |
| EBT | Earnings before tax |
| EAT | Earnings after tax |
| GSM | General Shareholders Meeting or General Meeting of Shareholders |
| BoD | Board of Directors |
| L/C | Letter Credit |



PART I

GENERAL INFORMATION

| | | |
|----|---|----|
| 01 | OVERVIEW OF THE COMPANY | 13 |
| 02 | INCORPORATION AND DEVELOPMENT PROCESS | 15 |
| 03 | COMPANY'S OUTSTANDING ACHIEVEMENTS | 17 |
| 04 | GOVERNANCE MODEL, BUSINESS ORGANIZATION | 19 |
| 05 | BUSINESS LINES AND LOCATIONS | 25 |
| 06 | DEVELOPMENT ORIENTATION | 27 |
| 07 | RISK FACTORS | 29 |

GENERAL INFORMATION

- Company Name: CÔNG TY CỔ PHẦN PHÚ TÀI
- Name in English: PHU TAI JOINT STOCK COMPANY
- Certificate of Enterprise Registration: No. 4100259236
issued by the Department of Planning and Investment
of Binh Dinh for the first edition on December 30, 2004,
amended for the July 25, 2018
- Charter Capital: VND 485,994,410,000
- Address: 278 Le Hong Phong, Nguyen Van Cu Ward,
Quy Nhon City, Binh Dinh Province
- Telephone: (0256) 3847 668
- Fax: (0256) 3847 556
- Email: phutai@phutai.com.vn
- Website: www.phutai.com.vn
- Stock Symbol: PTB



INCORPORATION & DEVELOPMENT PROCESS



1994 - 1996

2000 - 2004

2005 - 2006

2007 - 2008

10/12/1994: The Command of Military District 5 decided to establish Phu Tai construction material manufacturing Company or Phu Tai Company (Decision no.124/QD-QK). The establishment was the combination of 03 entities: 380 Factory; 224 Factory; An Truong material construction Factory.

The Ministry of Defence established Phu Tai Company under the High Command of Military District (Decision no.482/QD-QP). The establishment was the combination of: 380 Factory; 224 Factory; An Truong material construction Factory; Vehicle team, Da Nang Representative Office; Ho Chi Minh City Representative Office.

The Command of Military District 5 revised the organizational chart with Phu Tai Company being its regular part (Decision no.125/QD-QK), including the Company body and 08 members: 380 Factory, 224 Factory, 991 Factory, Thang Loi Factory, construction stone manufacturing and industrial and agricultural trees planting Team, Transport and Mechanical Repair Team, Representative Office in Ho Chi Minh City, Branch in Thanh Hoa. Toyota Da Nang Factory - Phu Tai Company was founded.

The Minister of the Ministry of Defence decided to transform Phu Tai Company under Military District 5 into Phu Tai Joint Stock Company (Decision no.150/2004/QD-BQP). Wood processing Factory - a Branch of the Company was established in Dong Nai. Stone manufacturing Team was established in Binh Dinh.

The Minister of the Ministry of Defence decided that Phu Tai Joint Stock Company officially operated in the Joint Stock Company form since January 01, 2005 (Decision no.150/2004/QD-BQP). Phu Tai Joint Stock Company comprised the Company body and 06 members: 380 Factory, Toyota Da Nang Factory, Thang Loi Factory, the Company's Branch in Dong Nai, Nhon Hoa construction stone manufacturing and industrial and agricultural trees planting Team, Representative Office in Ho Chi Minh City.

A tile processing factory was established in Quy Nhon. Phu Tai Joint Stock Company's Office Building was built.

Phu Tai Joint Stock Company's branch in Gia Lai province was established.

Phu Tai Joint Stock Company's branch - Bazal, granite processing factory was built in Dak Nong province.

Thang Loi Factory - Phu Tai Joint Stock Company's Branch was relocated.

A Branch of Toyota Da Nang - Phu Tai Company was founded was established in Quy Nhon. The Company purchased controlling stake in Phu Yen Construction Material Joint Stock Company.

Phu Tai Joint Stock Company's branch - granite processing factory was built in Khanh Hoa province.

2012 - 2015

2016 - 2017

2018

2019 - PRESENT

Toyota Da Nang Factory - Phu Tai Joint Stock Company was expanded. Purchasing 100% charter capital of Tuan Dat Minerals Company Limited. 380 Factory's Office Building was built. Thang Loi Factory - Phu Tai Joint Stock Company was expanded. Universal Stone Joint Stock Company was established. Phu Tai Joint Stock Company's branch - tile processing factory was established in Dong Nai province.

The Company purchased controlling stake in ViNa G7 Joint Stock Company.

Phu Tai Joint Stock Company's branch - tile processing factory was established in Binh Dinh province.

Phu Tai Joint Stock Company's branch - tile processing factory was established in Hung Yen province.

Phu Tai Joint Stock Company's branch - Phu Cat wood processing factory was established.

Purchasing land and assets attached to land of Binh Dinh Stone VRG Joint Stock Company.

Phu Tai Joint Stock Company's branch - Dien Tan tile processing factory was established.

One branch of the Company was transformed into a subsidiary wholly owned by parent company: Phu Tai Dong Nai Company Limited.

Purchasing 70% charter capital of Granida Company Limited - a Granite stone manufacturing company.

Phu Tai Real estate Company Limited was founded. Purchasing stake in Thanh Chau Phu Yen Granite Company Limited (100% of Charter capital).

Phu Tai Ninh Thuan Stone Joint Stock Company.

Phu Tai Joint Stock Company's branch - Khanh Hoa Stone Exploiting Factory was established.

Phu Tai Joint Stock Company's Branch - Binh Dinh Stone Exploiting Factory was established.

Phu Tai Joint Stock Company's branch - Long My Stone processing factory was established.

Phu Tai High grade quartz Company Limited was established.

Phu Tai High grade quartz Company Limited was established.

Purchasing stake in Son Phat Trading and Manufacturing Company Limited (99% of Charter capital).



COMPANY'S OUTSTANDING ACHIEVEMENTS

With the achievements obtained after more than 10 years of equitization, the Company was awarded Emulation Flag, Certificate of Merit for production, business and social work by the Government, ministries and sectors, the High-Command of the Military District 5, local authorities where the company's units are located.

2007 - 2020

TOP 500 LARGEST ENTERPRISES IN VIETNAM

2011 - 2020

TOP 1000 BIGGEST CORPORATE INCOME TAX PAYERS IN VIETNAM

2004 - 2020

VIETNAMESE RELIABLE EXPORTER



GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGEMENT

MANAGEMENT STRUCTURE

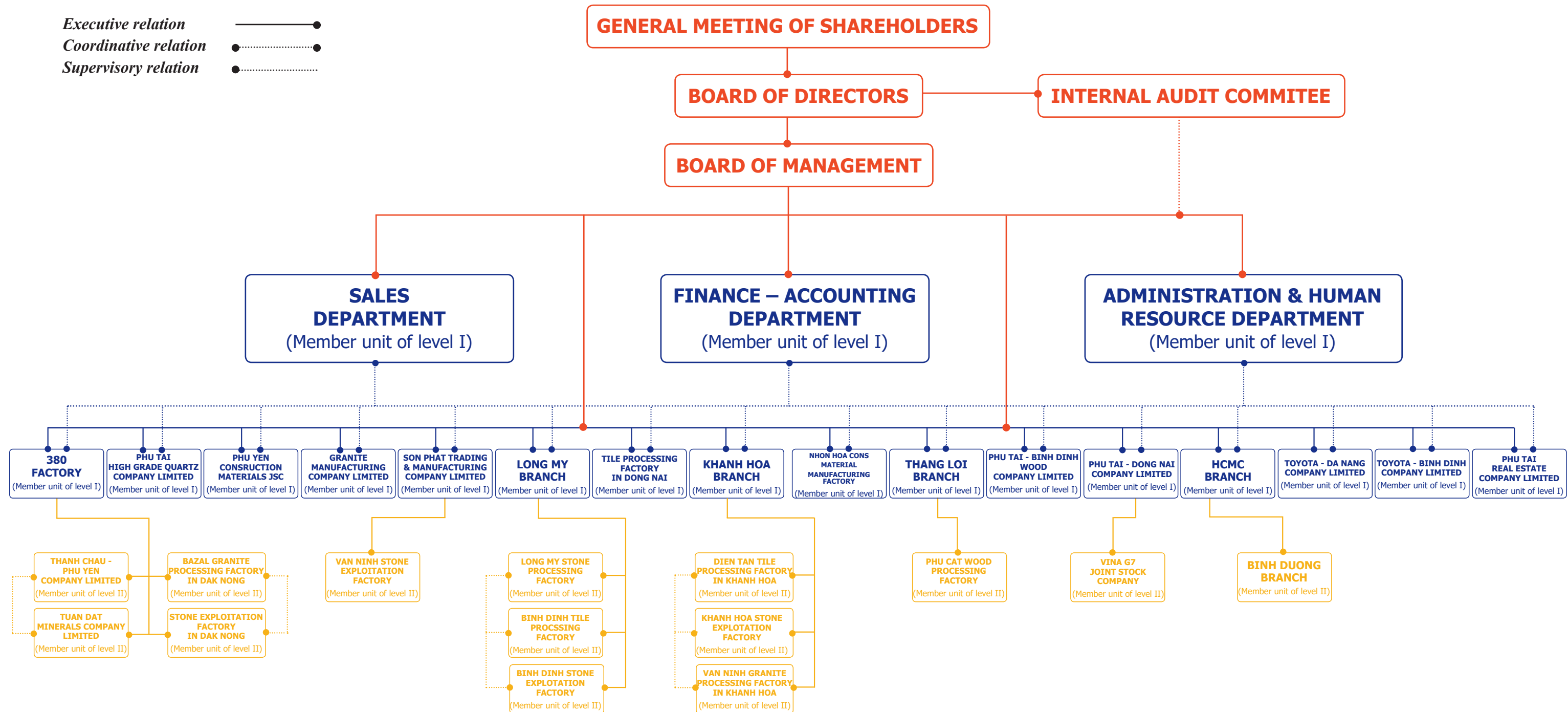
GENERAL MEETING OF SHAREHOLDERS: The supreme regulatory body of Phu Tai Joint Stock Company. The General Meeting of Shareholders has rights and duties to adopt development orientation, decide production and business plans; to decide amendments to and supplement of the Company's Charter, to elect, dismiss or remove members of the Board of Directors and the Supervisory Board; and decide to reorganize, dissolve the Company and other rights and duties in accordance with the Company's Charter.

BOARD OF DIRECTORS: The Board of Directors now includes eight members; with six executive members and two independent members. The Board of Directors will hold the meetings to discuss issues relating to the Company's development strategies, business and production plans, dividend policy, and other subject matters. The Board of Directors holds regular meetings on quarterly basis to assess operational performance of each quarter and discuss the issues under the authority of the Board of Directors. Irregular meetings of the Board of Directors will be held where necessary. The Board of Directors will be promptly and accurately kept informed about the Company's business and production in the meetings. Such information will be prepared by the Board of Management and Secretary of the Board of Directors along with the Company's information.

BOARD OF MANAGEMENT: The General Director will have following rights and obligations: To implement the resolutions of the Board of Directors and the General Meeting of Shareholders, the Company's business plans and investment plans approved by the Board of Directors and the General Meeting of Shareholders; to decide the matters that are not mandatorily decided by the Board of Directors, including signing financial and commercial contracts on behalf of the Company, organizing and running the Company's daily business operations in accordance with the best management practices; to propose to the Board of Directors the organizational structure plan, the Company's internal rules and regulations; to propose measures to improve the Company's operations and management; to propose the number of and the enterprise executives that the Company needs to recruit for the Board of Directors to appoint or dismiss in accordance with the internal regulations and recommend remuneration, salaries and other benefits applied to the Company's executives to the Board of Directors for their approval; to consult the Board of Directors to decide the number of employees, the appointment, dismissal, salaries, allowances, benefits, and other provisions related to their labor contracts; to regularly exchange information on production and business activities, investment and other necessary issues with the Board of Directors. To report on the business results, investing, to develop monthly and quarterly operation plans as required by the Board of Directors; Other rights and obligations in accordance with the laws, this Charter, the internal regulations of the Company, resolutions of the Board of Directors, the labor contract signed with the Company.



GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGEMENT



GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGEMENT

SUBSIDIARIES AND AFFILIATES

| Subsidiaries | Address | Interest proportion | Holding percentage |
|--|--|---------------------|--------------------|
| Phu Yen Construction Material Joint Stock Company | 172 Tran Hung Dao, Tuy Hoa, Phu Yen | 50.65% | 50.65% |
| Tuan Dat Minerals Company Limited | Group 8, Zone 4, Tran Quang Dieu ward, Quy Nhon, Binh Dinh | 100% | 100% |
| Universal Stone Joint Stock Company | 120/2 Tran Huy Lieu, Ward 15, Phu Nhuan District, Ho Chi Minh City | 60% | 60% |
| Granite Manufacturing Company Limited | 10 Tan Lap 1, Hiep Phu ward, District 9, Ho Chi Minh City | 70% | 70% |
| Thanh Chau Phu Yen Granite Company Limited | Lanh Truong hamlet, Xuan Lanh commune, Dong Xuan district, Phu Yen province | 100% | 100% |
| Phu Tai High Grade Quartz Company Limited | Lot B112-114, Nhon Trach textile and garment IP, Hiep Phuoc town, Nhon Trach commune, Dong Nai | 100% | 100% |
| Son Phat Trading and Manufacturing Company Limited | Tan Dan hamlet, Van Thang commune, Van Ninh district, Khanh Hoa province | 99% | 99% |
| Vina G7 Joint Stock Company | Tam Phuoc Industrial Park, Dong Nai | 75% | 75% |
| Phu Tai Dong Nai Company Limited | Tam Phuoc Industrial Park, Dong Nai province | 100% | 100% |
| Toyota Da Nang Company Limited | 69 – 71 Duy Tan – Da Nang | 100% | 100% |
| Toyota Binh Dinh Company Limited | 278 Nguyen Thi Dinh, Quy Nhon City, Binh Dinh province | 100% | 100% |
| Phu Tai Real Estate Company Limited | 278 Nguyen Thi Dinh, Quy Nhon City, Binh Dinh province | 100% | 100% |
| Phu Tai Binh Dinh Wood Company Limited | Phu Cat district - Binh Dinh | 100% | 100% |
| Phu Tai Ninh Thuan Stone Joint Stock Company | Thap Cham - Ninh Thuan | 98% | 98% |



BUSINESS LINES AND LOCATIONS

BUSINESS LINES

- Cutting, shaping and finishing granite, bazal, mable stone;
- Exploiting granite, bazal, exploiting stone, sand, gravel as construction materials;
- Manufacturing beds, cabinets, tables and chairs; other types of products made of wood;
- Buying and selling auto, spare parts; maintenance, repairing auto and other motor vehicles;
- Manufacturing crushed stone, stone powder, and other equivalents;
- Leasing office;
- Trading products made of granite, bazal, mable stone;
- Real estate trading and investment, leasing plants, warehouses, office, house.



BUSINESS LOCATIONS

- Export markets of stone products: Europe, Asia, United State of America.
- Export markets of interior and exterior furnitures: Europe; United State of America, Australia.
- Auto trading and distribution: Da Nang, Middle of Vietnam



DEVELOPMENT ORIENTATION



MAIN OBJECTIVES OF THE COMPANY

With the motto of "CREATIVITY - SPEED - SUSTAINABILITY", the Company focuses resources to the maximum to achieve 3 key tasks as follows:

- Developing a joint stock company with an appropriate and effective business model with stable and sustainable development;
- Conserving and improving the Company's values, ensuring the benefits for the Shareholders and the employees;
- Exploiting and making efficient use of the resources for the Company's business operation.

MEDIUM AND LONG-TERM DEVELOPMENT STRATEGIES

Improving the management of liabilities limit, inventories at the most economical level. Managing by regulations on working capital limit in member entities to ensure better use of capital. It is the crucial goal in 2021 to maintain financial security and minimizing abnormal issues during the course of business and manufacturing which aims to ensure the resources to develop in case of the disease under control and new opportunities.

Structuring management apparatus with focus, improving the efficiency of corporate governance, the administration level of the management apparatus. Focusing on exploiting the factors of intensive growth: improving labor productivity, applying scientific and technological advances, changing new products to increase the products' competitiveness, limiting use of unskilled workers.

- **Stone exploiting and processing:** In addition to developing artificial stone products, it is necessary to ensure effective conservation of natural stone products. Only make investment to improve long-term competitiveness Balancing an appropriate rate between the domestic and export markets. Maintain the top position in Vietnam's natural stone industry.
- **Wood processing:** Under the complicated developments of the Covid-19 and impacts on export markets, it is required to review market performance in customer segments, payment security and potential risks. Expanding the market, attracting enough human resources to ensure efficient exploitation of the capacity of both old and newly invested factories. Investing in product development, technological innovation, improving labor productivity, limiting intensive use of labor.
- **Auto trading and service:** Reviewing and evaluating quality of sales team. Revising salary and bonus regime in the direction of streamlining, while still ensuring labor productivity, increasing employee's income. Effectively managing expenses to improve business efficiency. Well meeting the targets of revenues, market share.

SUSTAINABLE DEVELOPMENT OBJECTIVES

Environmental objective:

As an enterprise in the wood and stone processing sector with an exposure to many potential environmental risks, the Company always strictly complies with laws and regulations related to environmental protection.

The Company always aims for green development by taking higher responsibility in the construction, manufacturing, waste treatment and water use, avoiding wasting and polluting the environment.

Social and Community objectives:

Building reputation in the customers' eyes by providing safe, quality services;

Actively participating in the community-oriented activities and programs, social activities such as supporting the construction of infrastructure, building schools for localities, "The gratitude fund", "Vietnamese heroic mother fund," "Fund for the poor"," Beloved Truong Sa Fund", donating to sufferers of natural disasters, floods ...

Employees objective:

Improving the quality of human resources by regular training programs, training professional skills, soft skills for the employees;

Recruiting a team of dynamic, creative and professional engineers and skilled technical workers;

Encouraging all employees to participate in the Company's charity activities and promoting sustainable development orientation thinking, enhancing living values;

Directly disseminating among the employee's knowledge about occupational safety.



RISK FACTORS



MACROECONOMIC RISK

In 2020, the global economy underwent negative growth under the context of the Covid-19. According to the World Bank (WB), the global economy went down by roughly 4.4%, with a modest growth rate of Chinese economy of 2% while the United State, the largest economy decreased by 4.3%.

Facing such situation, Vietnam's socio-economy in 2020 continued a stable growth rate with more positive outcomes than many other countries in the world. According to the General Statistic Office, Vietnam gross domestic product (GDP) was 2.91%, which was lower than the target set out, though made Vietnam one of the countries with the highest growth rate in the World in 2020. In which, forestry sector increased by 4.69%, export of good and service increased by 15.25% year over year.

In addition, with the Central Bank's effective management of monetary policy, indicators such as the consumer price index (CPI), inflation rate were also under good control of below 4%, meeting the targets set out by the Congress. Vietnam has been under the intensive integration when many important free trade agreements (FTAs) were signed and came into effect recently including Vietnam - EU Free Trade Agreement (EVFTA) or the Comprehensive and Progressive Partnership for Trans-Pacific Partnership (CPTPP). These agreements were involved in forestry, automobile, and import-export sectors in general.

Out of the Company's three core segments of production and business, the wood products segment would be directly affected by changes in the financial market and macroeconomics. As a result, adverse fluctuations of the economy may result in a decline in competitiveness and the ability to expand the market, as well as negative impact on selling price of the wood products.

In order to mitigate the related risks as well as embrace opportunities from the general economy, the Company has been constantly updating the world economic developments, thereby appropriate business strategies were set out.

LEGAL RISK

As a joint stock company and a company listed on the Ho Chi Minh City Stock Exchange, the Company's business activities are mainly governed by the Law on Enterprises and legislation on securities, stock market, etc. Any possible change in laws and regulations on corporate governance will more or less affect the Company's governance and business operation. In addition, because the Company operates in the real estate sector, it is also governed by the Land Law, Construction Law, Real Estate Business Law ... Any possible changes in these legislation may affect the liquidity of the real estate market as well as time to complete procedures and methods of raising funds for the Company's projects of investment.

Moreover, Laws and subordinate legislation, industry specific regulations, guidelines on policy regimes, lack of uniformity have to some extent affected the Company's business operations and development orientation. Lawsuit, dispute, compensation, and so on are the potential risks that may occur in the future, which derives from objective cause.

To mitigate the legal risk with its adverse impacts on the results of production and business activities, the Company is committed to complying with current legislation; developing a standard internal management system. What's more, the Company also regularly updates all changes in policies and regulations related to the Company's operations for making appropriate business development.

INTEREST RATE RISK

The Company is exposed to the interest rate risk because the fair value of its future cash flows of a financial instrument will be subject to the changes in market interest rates when the Company has term or demand deposits, loans and liabilities bearing floating interest rate.

In 2020, Federal Reserve of the United States (FED) reduced prime interest rate for many times - to 0-0.25% from 1-1.25%. In Vietnam, the State Bank of Vietnam (SBV) also reduced the operating interest rates by 0.5% to stimulate the economy to cope with the Covid-19 pandemic. Specifically, the short-term lending interest rate in VND was also adjusted by the State Bank from 5% to 4.5%/year. Currently, PTB liabilities accounted for the highest proportion in its liabilities and owner equity, with about 58% in 2020 which was not so different since 2016. PTB liabilities were largely short-term liabilities, accounting for 85% of total liabilities for the year 2020. Any fluctuations in the lending rates declared by the commercial banks will have a direct impact on the Company's business operations. If the interest rate increases, the Company's interest expenses will increase as well, thereby reducing its net income.

Accordingly, the Company manages this kind of risk by analyzing the competitive situation in the market to enjoy interest rates that may be favorable for the Company.



RISK FACTORS

INDUSTRY SPECIFIC RISK

Wood trading, processing

Wood trading and processing is one of the Company's core areas of business with a contribution of about 53% to the company's net revenue in 2020. However, with the condition in which the demand for raw wood has been constantly increasing while the natural wood and forest land bank have been gradually limited, resulting in gradual scarcity of wood materials and hence increasingly high input costs.

Moreover, the wood processing industry is subject to regular control in terms of the legal source of timber being put into use, such as the Lacey Act, Flegt Act to strengthen the regulatory scrutiny and commercial management of forest products when exporting to America and European countries. The requirements to control safety quality in products such as lead content in paint, formaldehyde in wood glues, etc... are increasingly strict. In addition, the Company's wood products exported to the US is at risk of being concluded by the US trade fraud, resulting in their bearing anti-dumping and anti-subsidy tax.

Accordingly, PTB maintains and regularly invests in product quality management, all information to customers are strictly managed to limit order stoppage and possible compensation. Besides, the Group has been constantly making investments in market expansion associated with customer restructuring, effectively take opportunities to switch its suppliers from China to Southeast Asian countries, Trade agreements (FTAs) between Europe and Vietnam ... to expand the market size.

Construction, tile exploiting and trading

Stone exploiting and processing contributes about 25% to the company's net revenue. Input materials are mainly exploited by the Company itself with various colors, so the Company is very proactive in the product selection to supply to the market. However, exploitation cost is of the Company's great concern because this type of cost is likely to increase due to: (i) Inflation; (ii) Vietnam policies related to capital construction investment and resource exploitation; (iii) Geopolitical uncertainties or protectionism policies of the countries importing stone products from the Company; as a result, the Company's proposed growth target are impacted.

To minimize this risk, the Company regularly monitors any changes of economic - social - political factors for exploitation cost saving. Meanwhile, the Company also develops and expands into new markets, avoiding too much focus on a single market to overcome the risk factors when the market is affected by economic - political uncertainties or trade protectionism policies. Furthermore, the Company is proactive in ensuring supply for its long term development. PTB quarries are now large in deposit with approximately 53 million m3 which is mainly color stone quarries; and the remaining exploitation term of other quarries are more than 20 years. This helps the Company to be always proactive and ensure its supply of raw materials for production.

Auto trading and service

Trading and distributing Toyota vehicles is a net revenue significant component of the Company with about 20.30%. Although Toyota has been one of the leading car companies in Vietnam in terms of car sales in recent years. However, with the entry of new car manufacturers and the expansion of existing car makers, the competition will become increasingly fierce.

Accordingly, in order to strengthen PTB's position in Toyota vehicles trading and service in domestic and international markets, the Company continues its endeavor to modernize, provide products and services beyond the customer expectations; Proactively formulate flexible sales policies, invest in improving service quality, attracting customers, and maintaining market share.

EXCHANGE RATE RISK

The Company's raw materials, auxiliary materials and products for its manufacturing activities are partly imported from overseas while its wood products are exported to the international market, which means if any significant fluctuations in foreign exchange rates will cause certain fluctuations in the Company's production and business. Specifically, when the exchange rate of USD/VND increases or decreases, it will cause some certain change in the Company's revenue, cost of goods, as well as receivables and payables denominated in foreign currencies (currently the Company has more than USD1.9 million).

By recognizing the above-mentioned risks, the Company keeps regular track of the changes in the exchange rates to promptly take effective hedging measures.

OTHER RISK FACTORS

Some other types of risks such as earthquakes, fire, drought, storm, flood, war or epidemics may rarely occur though when they occur, they may cause unpredictable losses and damages to the Company's business.

Therefore, to minimize the impacts caused by such kinds of risks, the Company always take proactive actions to prevent them by purchasing insurance for its employees and assets; periodically maintain its infrastructure, use safety equipment as regulatorily required; and organize training courses to disseminate necessary knowledge among the employees to ensure safety in case of incidents, always proactively plan for timely prevention and response.





BUSINESS & MANUFACTURING SITUATION

PART II

| | | |
|----|--|-----------|
| 01 | BUSINESS & MANUFACTURING SITUATION | 35 |
| 02 | ORGANIZATION & HUMAN RESOURCES | 43 |
| 03 | INVESTMENT & PROJECT IMPLEMENTATION | 47 |
| 04 | FINANCIAL SITUATION | 49 |
| 05 | SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S EQUITY | 53 |

BUSINESS AND MANUFACTURING SITUATION



GENERAL CONTEXT OF THE ENTIRE INDUSTRY IN 2020

WOOD INDUSTRY

According to the statistics of the General Department of Vietnam Customs, in November 2020, Vietnam's export turnover of wood and wood products to most of the key markets decreased sequentially. Specifically: The turnover to the United State of America was 3.12%% lower; to Japan was 0.91% lower; to South Korea was 5.25% lower. Other markets like Europe, England, Germany, France, Netherland were also the markets seeing serious decline. Conversely, the turnover to China continued its increasing trend with more than USD90 million, or 13.04% higher than previous month. In the first 11 months of the year 2020, the United States was Vietnam's largest export market of wood and wood products, accounting for 58% of the turnover and also the market with the highest growth rate among the major export markets of wood and wood products, with USD6.369 billion, equivalent to an increase of 34.56% year over year.

Furniture and wood products industry continue to have a positive medium to long-term outlook with good competitive advantage thanks to its economies of scale and long-lasting tradition. In addition, the US imposed a tax rate of 25% on wood products from China starting from 2018, which has also been a positive factor for Vietnam's wood export sector. Up to now, 228 Chinese wood and wood products exported to the US are subject to a new tax rate of 28%, worsening the competitiveness and profitability of the companies organizing their manufacturing activities in China and exporting to the US market. Therefore, the US-China trade tension has resulted in a wave of shifting orders from China to Vietnam, thereby facilitating PTB's wood business in particular and the industry in general. In case the US continues to impose high import tariffs on wood products from China (especially HS 94 products), in the period of 2021 - 2025, PTB's orders from the US market is expected to continue the upward trend as large customers in the US must continue to shift their orders from China to the wood processor with FSC certificate in Vietnam. Regarding Japanese market, regardless of its lower turnover recorded in 2020, the trend of higher proportion of importing HS 94 products from Vietnam for the last 4 years is expected to be the driving force for PTB's increase in the orders from this market. Regarding European market, the Free Trade Agreement (EVFTA), which officially came into effect since August 2020 is expected to be an important driving force to promote exports and consumption of wood products from Vietnam in the European Union (EU) countries.

STONE INDUSTRY

Passing the year 2020, regardless of negative consequences caused by the COVID-19 epidemic, the productivity and output of the construction materials industry were relatively serious hit because of the lack of consumption markets; the businesses' performance was still positive with stable production, positive growth. Specifically, according to the Ministry of Construction, by the end of 2020, the volume of cement consumed was 74 million tons, that of the sanitary porcelains was 12.8 million products, that of tiles was 12 million m2, that of brick tiles was 452 million m2. Moreover, on August 18, 2020, under the Decision 1266/QD-TTg, the Prime Minister officially issued the Strategy for Vietnam Construction Materials for the period of 2021-2030, with an orientation towards 2050. This will create favorable conditions for stone manufacturers like PTB to develop from the beginning of 2021.

AUTO INDUSTRY

In 2020, 1,617 vehicles were sold by the Company in Da Nang and Binh Dinh markets in total; and 33,310 times of vehicle repairs were performed by the Company. Automobile sales and repair services in these two markets reached VND1,050.2 billion and VND97.31 billion, respectively.

In the short to medium term, Vietnam will gain very few benefits in the supply and production chains of regional automakers because (i) Infrastructures do not meet the automobile use requirements, (ii) Low localization content resulting in high cost, (iii) Fierce competition from imported automobiles. In the long run, Vietnam Automobile industry in general and PTB's Toyota Automobile business are expected to be positive as Vietnam embraces the trend of switching automobile manufacturing from the Americas and Europe to Asia thanks to the Government policies to develop automobile industry as well as the Free Trade Agreements.

GENERAL CONTEXT OF PTB IN 2020

- **The US-China trade war created opportunities for the wood industry to develop its export markets due to the trend of shifting from China to other countries, including Vietnam.**
- **In 2020, the complicated situation of the Covid-19 caused negative impacts on the socio-economic situation, adversely affecting the economic growth and investment and business environment domestically and globally. Some large countries have enhanced its protection of its own production by imposing trade technical barriers and tariffs.**
- **Consumption market for the tiles, automobile and real estate industries became weaker, the price competition became increasing fierce, causing the industry's profit margin to decrease. The market segment for slab stone, key product of the stone industry faced many difficulties due to the price competition with domestic brands and imported products. The automobile consumption market was not favorable due to the Company's focus on handling inventory for the year 2019, such as lower selling prices, resulting in losses in some product lines. Real estate market was also seriously hit by the Covid epidemic.**
- **Commodities circulation, trade activities between the countries were interrupted, which explained why transport costs were so high; as a result, the Company's business and manufacturing costs were high as well.**

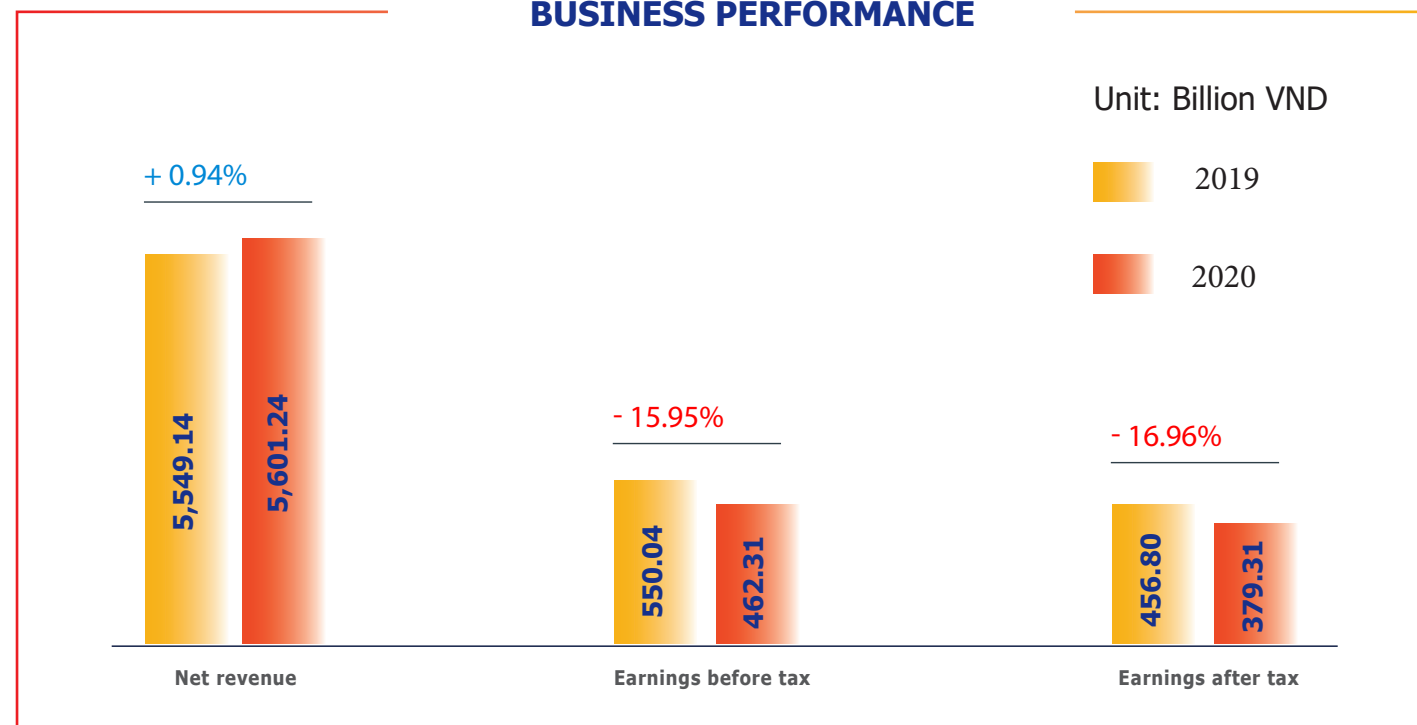
The US-China trade war created opportunities for the wood industry to develop its export markets due to the trend of shifting from China to other countries, including Vietnam.

BUSINESS AND MANUFACTURING SITUATION

BUSINESS PERFORMANCE IN 2020

| ITEMS | 2019 Billion VND | 2020 Billion VND | 2020 vs. 2019 |
|-----------------------------------|---------------------|---------------------|---------------|
| Net Revenue | 5,549.14 | 5,601.24 | +0.94% |
| Cost of goods sold | 4,458.43 | 4,460.35 | +0.04% |
| Gross profit | 1,090.71 | 1,140.89 | +4.60% |
| Revenue from financial activities | 16.31 | 23.79 | +45.86% |
| Other profit | 8.13 | 22.82 | +180.69% |
| Earnings before tax | 550.04 | 462.31 | -15.95% |
| Earnings after tax | 456.80 | 379.31 | -16.96% |
| EPS (VND/Share) | 9,132 | 7,709 | -15.58% |

BUSINESS PERFORMANCE



| ITEMS | EXPECTED 2020 | ACTUAL 2020 | % COMPLETION |
|---------------------|-------------------|----------------------|--------------|
| Total revenue | 5,160 Billion VND | 5,602.25 Billion VND | 109% |
| Earnings before tax | 460 Billion VND | 462.31 Billion VND | 101% |

By and large, PTB business performance in 2020 was relatively stable. Under the influence of the Covid-19 pandemic, high operating costs resulted in a decrease in profits year over year. However, the Company's total revenue and EBT exceeded the target with 109% and 101% of the plan, respectively.

In 2020, the Company recorded a positive growth in its net revenue with VND5,601 billion, or 0.94% higher from one year earlier. In which, revenue from stone segment reached VND1,436 billion, which meant there was not much change. Wood segment contributed nearly VND2,989 billion (42.95% yoy), sharply increased because of the increase in exports to the US market thanks to the benefit from the wave of orders shifting from China to Vietnam. Automobile segment realized VND1,050 billion revenue, 41.83% lower than in 2019.

Although revenue from financial activities saw a positive growth, with an increase of nearly VND8 billion year over year; operating expenses including selling and administrative expenses increased sharply compared to the previous year; as a result, earnings before tax and earnings after tax decreased by 15.95% and 16.96% respectively.

A bright spot in the Company's business performance in 2020 was a strong growth of other profit item (more than 180% year over year). Most of it is income from liquidation, disposal of fixed assets and allowances or bonuses that Toyota Da Nang Factory was entitled to from the sales policy.

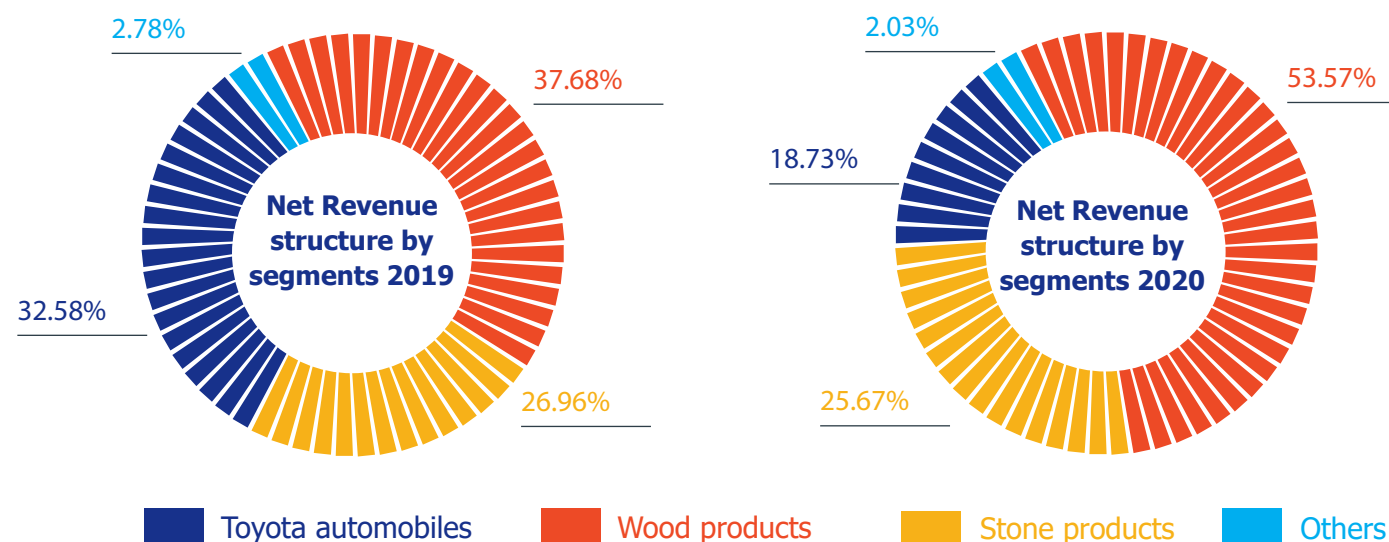


BUSINESS AND MANUFACTURING SITUATION

NET REVENUE STRUCTURE BY SEGMENTS

| ITEMS | 2019 (billion VND) | Proportion | 2020 (billion VND) | Proportion |
|---------------------------------------|-----------------------|---------------|-----------------------|---------------|
| Revenue from the sale of goods | 5,403.34 | 97.34% | 5,502.86 | 98.21% |
| Stone products | 1,495.82 | 26.96% | 1,435.56 | 25.67% |
| Wood products | 2,090.65 | 37.68% | 2,988.53 | 53.57% |
| Toyota automobiles | 1,805.08 | 32.48% | 1,050.20 | 18.73% |
| Others | 11.79 | 0.22% | 28.57 | 0.24% |
| Revenue from services rendered | 145.83 | 2.66% | 99.38 | 1.79% |
| Toyota automobiles repair services | 144.04 | 2.60% | 97.13 | 1.73% |
| Leasing offices and plants | 1.79 | 0.06% | 2.25 | 0.06% |
| Total | 5,549.17 | 100% | 5,602.25 | 100% |

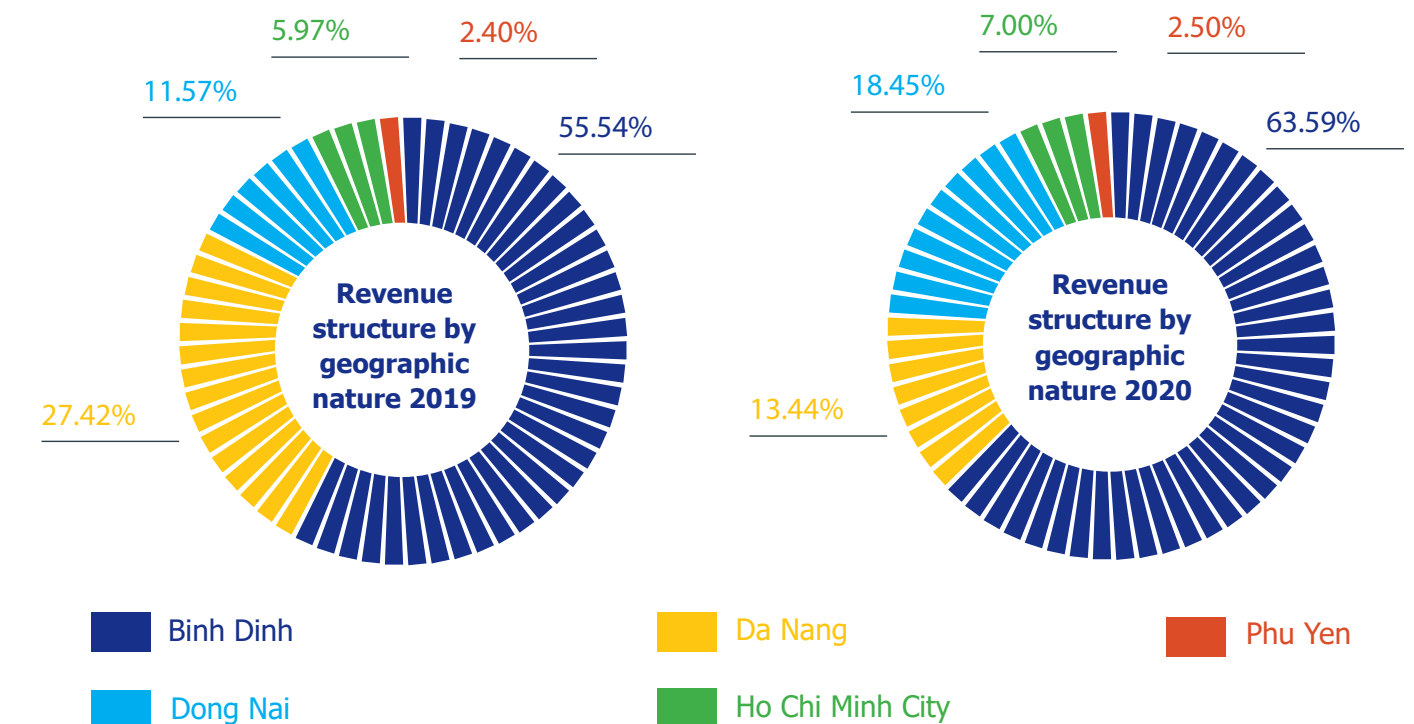
In terms of revenue structure, the Company's revenue in 2020 was largely contributed by sales of goods with main products of stone, wood and Toyota automobiles (accounting for more than 98% of total revenue). Car repair service and office leasing were the remaining contributor to the Company's revenue with only about 2% of total revenue. Specifically, revenue from the wood segment accounted for more than 53% of the total revenue, or VND2,989 billion, increasing by more than 43% year over year. Meanwhile, the stone segment did not record many changes because the proportion of this segment remained at 25% of total revenue. The proportion of automobile segment saw sharp drop from 32% to only 18% of total revenue in 2020.



REVENUE STRUCTURE BY GEOGRAPHIC NATURE

| ITEMS | 2019 (Billion VND) | Proportion | 2020 (Billion VND) | Proportion |
|------------------|-----------------------|-------------|-----------------------|-------------|
| Phu Yen | 133.32 | 2.40% | 140.01 | 2.50% |
| Binh Dinh | 3,082.01 | 55.54% | 3,561.81 | 63.59% |
| Dong Nai | 642.13 | 11.57% | 1,033.20 | 18.45% |
| Ho Chi Minh City | 311.22 | 5.97% | 389.67 | 7.00% |
| Da Nang | 1,521.67 | 27.42% | 753.05 | 13.44% |
| Excluding | (141.22) | (2.90%) | (276.51) | (4.98%) |
| Total | 5,549.14 | 100% | 5,601.24 | 100% |

PTB's business locations are mainly in Phu Yen, Binh Dinh, Dong Nai, Ho Chi Minh City and Da Nang provinces. In which, Binh Dinh and Dong Nai held the 1st and 2nd position respectively when their proportions in the revenue accounted for 63% and 18% of the total respectively. The company recorded a sharp increase in the revenue from these two provinces during the year with an increase of 16% and 60% in 2020, respectively. On the other hand, revenue generated from Da Nang area underwent a significant decrease by nearly a half, from more than VND1,500 billion in 2019 to just VND753 billion in 2020. The main reason was because Da Nang was one of the provinces and cities hit the most seriously by the Covid-19 epidemic, business activities across the province were frequently interrupted, thereby the Company sales were indirectly affected.

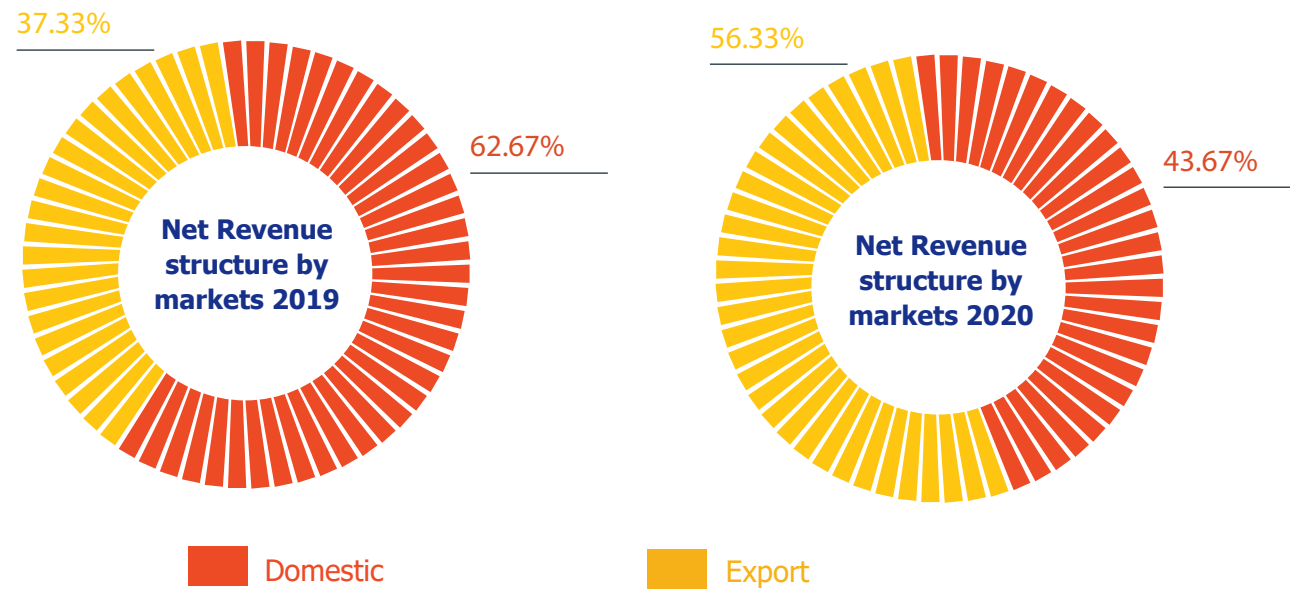


BUSINESS AND MANUFACTURING SITUATION

NET REVENUE STRUCTURE BY MARKETS

| Markets | 2019 (Billion VND) | Proportion | 2020 (Billion VND) | Proportion |
|--------------|-----------------------|-------------|-----------------------|-------------|
| Domestic | 3,477.59 | 62.67% | 2,446.18 | 43.67% |
| Export | 2,071.55 | 37.33% | 3,155.06 | 56.33% |
| Total | 5,549.14 | 100% | 5,601.24 | 100% |

In general, in 2020, the Company recorded a shift in revenue structure by consumption market when the export market generated more than VND3,155 billion, 52.30% higher than previous period, contributing more than 56% the total revenue, while this item in 2019 only contributed 37%. The strong growth in export revenue in the year was because the Company took advantage of opportunities from the market shift from China to Vietnam, thereby its orders for wood furniture of export increased, especially the orders from the US market.



Revenue from wood segment:

**2,989
billion VND**

Increasing by more than 43% yoy.

The revenue from the wood segment accounted for more than 53% of the total revenue, or more than VND2,989 billion in 2020, increasing by more than 43% year over year thanks to the benefits from the market shift from China to Vietnam.



ORGANIZATION AND HUMAN RESOURCES

LIST OF BOARD OF MANAGEMENT MEMBERS

| Full name | Position | Number of shares | Percentage of holding |
|--------------------|----------------------------|------------------|-----------------------|
| Le Van Thao | General Director | 3,800,833 | 7.82% |
| Tran Thanh Cung | Deputy of General Director | 1,965,625 | 4.1% |
| Phan Quoc Hoai | Deputy of General Director | 880,272 | 1.8% |
| Nguyen Sy Hoe | Deputy of General Director | 2,699,698 | 5.6% |
| Nguyen Thi My Loan | Chief Accountant | 21,118 | - |

PROFILE OF THE BOARD OF MANAGEMENT

MR. LE VAN THAO

| | |
|-------------------|--|
| Position | General Director, Member of BoD |
| Year of birth | 10/10/1971 |
| Gender | Male |
| Place of birth | Dieu Tri - Tuy Phuoc - Binh Dinh |
| Nationality | Vietnam |
| Ethnic group | Kinh |
| Permanent address | Nguyen Van Cu ward, Quy Nhon City, Binh Dinh province |
| Qualification | Bachelor of Economics - Major: Business Administration |

MR. TRAN THANH CUNG

| | |
|-------------------|--|
| Position | Member of BoD, Deputy General Director |
| Year of birth | 02/05/1957 |
| Gender | Male |
| Place of birth | Tinh Son - Son Tinh - Quang Ngai |
| Nationality | Vietnam |
| Ethnic group | Kinh |
| Permanent address | 262A Nguyen Thai Hoc - Quy Nhon City |
| Qualification | Intermediate level of Politics theory |

MR. PHAN QUOC HOAI

| | |
|-------------------|--|
| Position | Member of BoD, Deputy General Director |
| Year of birth | 17/05/1967 |
| Gender | Male |
| Place of birth | Bac Giang - Ha Bac |
| Nationality | Vietnam |
| Ethnic group | Kinh |
| Permanent address | Tran Quang Dieu ward, Quy Nhon |
| Qualification | Bachelor of Economics |

MR. NGUYEN SY HOE

| | |
|-------------------|--|
| Position | Member of BoD, Deputy General Director cum Director of Thang Loi Factory |
| Year of birth | 02/09/1970 |
| Gender | Male |
| Place of birth | Dien Hai - Dien Chau - Nghe An |
| Nationality | Vietnam |
| Ethnic group | Kinh |
| Permanent address | 102 Vu Bao, Ngo May ward, Quy Nhon City, Binh Dinh |
| Qualification | Forestry Engineer |

MS. NGUYEN THI MY LOAN

| | |
|-------------------|--|
| Position | Chief Accountant |
| Year of birth | 02/02/1976 |
| Gender | Female |
| Place of birth | Quy Nhon - Binh Dinh |
| Nationality | Vietnam |
| Ethnic group | Kinh |
| Permanent address | 556 Nguyen Thai Hoc - Quy Nhon - Binh Dinh |
| Qualification | Bachelor of Accounting - Auditing |

ORGANIZATION AND HUMAN RESOURCES

STATISTICS OF THE COMPANY'S EMPLOYEES

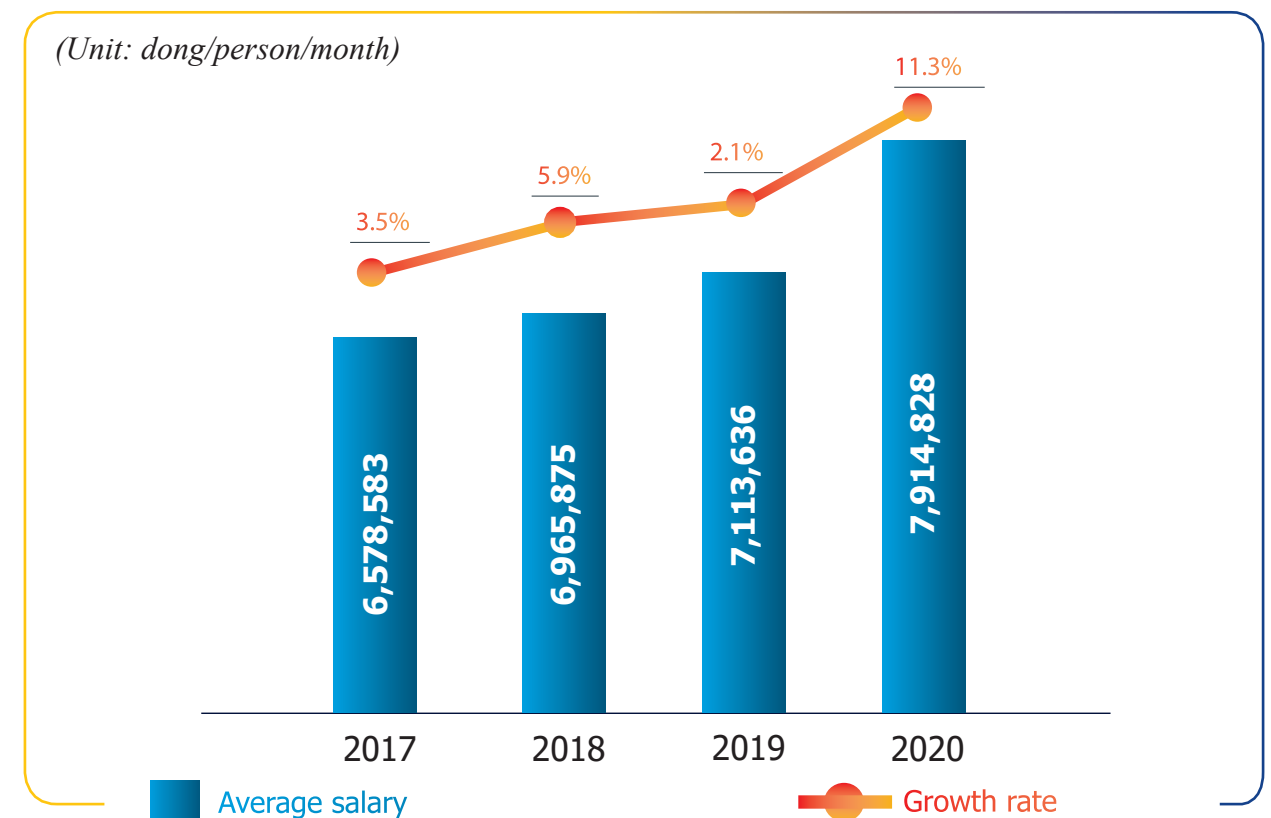
| No. | Property of classification | Number (person) | Percentage (%) |
|------------|------------------------------------|-----------------|----------------|
| I | Classified by qualification | 7,408 | 100% |
| 1 | Postgraduate | 466 | 6% |
| 2 | Graduate, College | 217 | 3% |
| 3 | Intermediate level | 200 | 3% |
| 4 | Technical workers | - | - |
| 5 | Unskilled labor | 6,525 | 88% |
| III | Classified by gender | 7,408 | 100% |
| 1 | Male | 4,249 | 57% |
| 2 | Female | 3,159 | 43% |

INCOME ON AVERAGE

| Year | Average salary (dong/person/month) | Growth rate |
|-------------|------------------------------------|--------------|
| 2017 | 6,578,583 | 3.5% |
| 2018 | 6,965,875 | 5.9% |
| 2019 | 7,113,636 | 2.1% |
| 2020 | 7,914,828 | 11.3% |

Average income per PTB's employee grew by 11.3% in 2020 - the highest growth rate since 2017.

(Unit: dong/person/month)



EMPLOYEES POLICY

Salary, bonus and welfare:

Salary regime is established by applying the current regulations of the State and based on the business performance in combination with the value of work, of product, roles and responsibilities of individual workers, socio-economic factors like local labor market level, inflation, average income growth. The Company implemented a salary policy with fairness and transparency ensured, which in fact encouraged the employees to promote their working capabilities. The employees' income is constantly improved, increasing year after year.

Reward policy - the employees are timely disciplined and reasonably encouraged to improve labor productivity.

The employees get their labor contracts signed, covered with social insurance, health insurance, unemployment insurance, and entitled to the sickness and maternity benefits in accordance with prevailing laws, provided with personal protective equipment, regularly get health check-ups on yearly basis.

Training and Development policy:

Recruitment: The Company always pays attention to the recruitment and human resources training to ensure their professional expertise and skills for the Company's development. Depending on the requirements of each department or function, the Company develops particular recruitment criteria to meet the overall requirements of expertise, honesty and creativity.

Training activities: The Company always maintains its annual training policy to improve the employees' qualifications. Training is mainly by on-the-job training and intensive training. With the above-mentioned training activities, the Company facilitates the employees to promote their own capabilities and working skills. In addition, the Company also arranges human resources in line with the Company's development for the labor quality to be improved. Every year, the Company maintains the training activities to improve direct workers' skills, organizes managerial employees to participate in the courses on managerial knowledge and expertise.

INVESTMENT AND PROJECT IMPLEMENTATION



Lễ khởi công Dự án Nhà máy Chế biến Gỗ Phú Tài Bình Định.

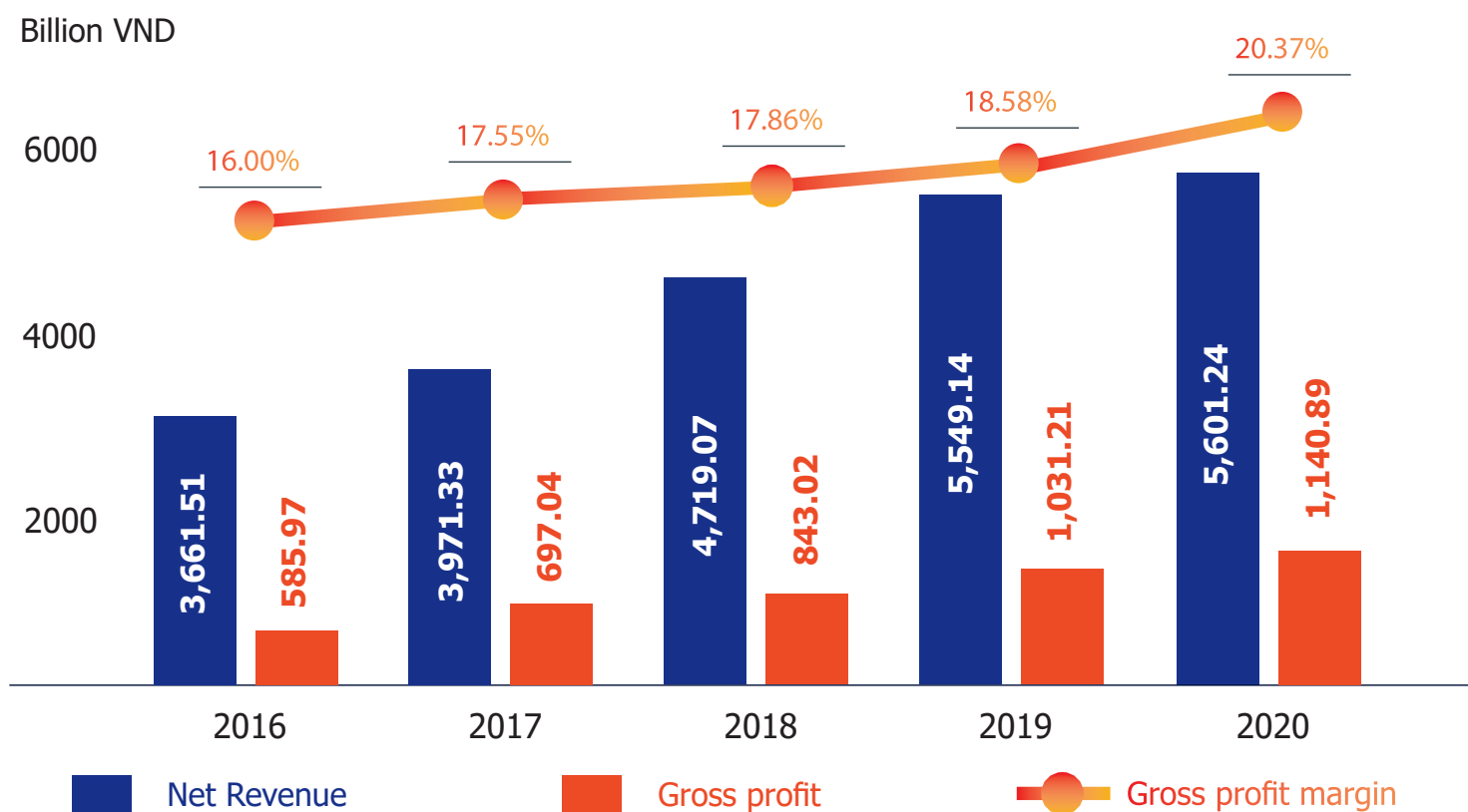
| Project name | Total amount approved | Total actual amount | Extra amount of increase (+) decrease (-) |
|---|------------------------|------------------------|---|
| Projects approved | 629,059,548,980 | 489,758,365,210 | 61,033,773,531 |
| Project of Artificial Quartz processing factory | 273,976,000,000 | 318,542,721,967 | +44,566,721,967 |
| Expanding Son Phat Granite processing factory | 22,400,000,000 | 23,118,897,865 | +718,897,865 |
| Expanding Logn My 2 stone processing factory | 23,945,842,189 | 30,161,960,599 | +6,216,118,410 |
| Quy Nhon 3 Factory | 21,880,000,000 | 31,804,832,117 | +9,924,832,117 |
| Commercial concrete factory - Nhon Hoa Factory (phase 2 excluded) | 6,601,000,000 | 5,907,001,463 | -693,998,537 |
| Phase 1 of Binh Dinh furniture wood processing factory | 236,832,449,669 | 62,824,601,971 | - |
| Finished goods warehouse (2 floors) - Thang Loi Factory | 36,605,350,000 | 10,268,223,762 | - |
| Purchase of Machinery and equipment | | 115,136,468,477 | |
| Phu Cat wood processing factory | 6,818,907,122 | 7,120,108,831 | +301,201,709 |
| 380 Factory | - | 9,649,992,291 | - |
| Thang Loi Factory | - | 52,564,626,712 | - |
| Phu Tai Dong Nai Company Limited | - | 18,521,394,664 | - |
| Toyota Da Nang Company Limited | - | 1,899,914,010 | - |
| Toyota Binh Dinh Company Limited | - | 2,009,151,545 | - |
| Granida Company Limited | - | 263,247,273 | - |
| Tuan Dat Minerals Company Limited | - | 3,879,658,954 | - |
| Vina G7 Joint Stock Company | - | 23,730,598,617 | - |
| Phu Yen Construction Materials JSC | - | 1,722,704,698 | - |
| Thanh Chau Phu Yen Granite Company Limited | - | 895,179,713 | - |
| TOTAL | 629,059,548,980 | 604,884,817,052 | |

FINANCIAL SITUATION

REVENUE AND GROSS PROFIT MARGIN DURING THE PERIOD OF 2016 - 2020

| Items | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-------------|----------|----------|----------|----------|----------|
| Net Revenue | Billion VND | 3,661.51 | 3,971.33 | 4,719.07 | 5,549.14 | 5,601.24 |
| Gross profit | Billion VND | 585.97 | 697.04 | 843.02 | 1,031.21 | 1,140.89 |
| Gross profit margin | % | 16.00 | 17.55 | 17.86 | 18.58 | 20.37 |

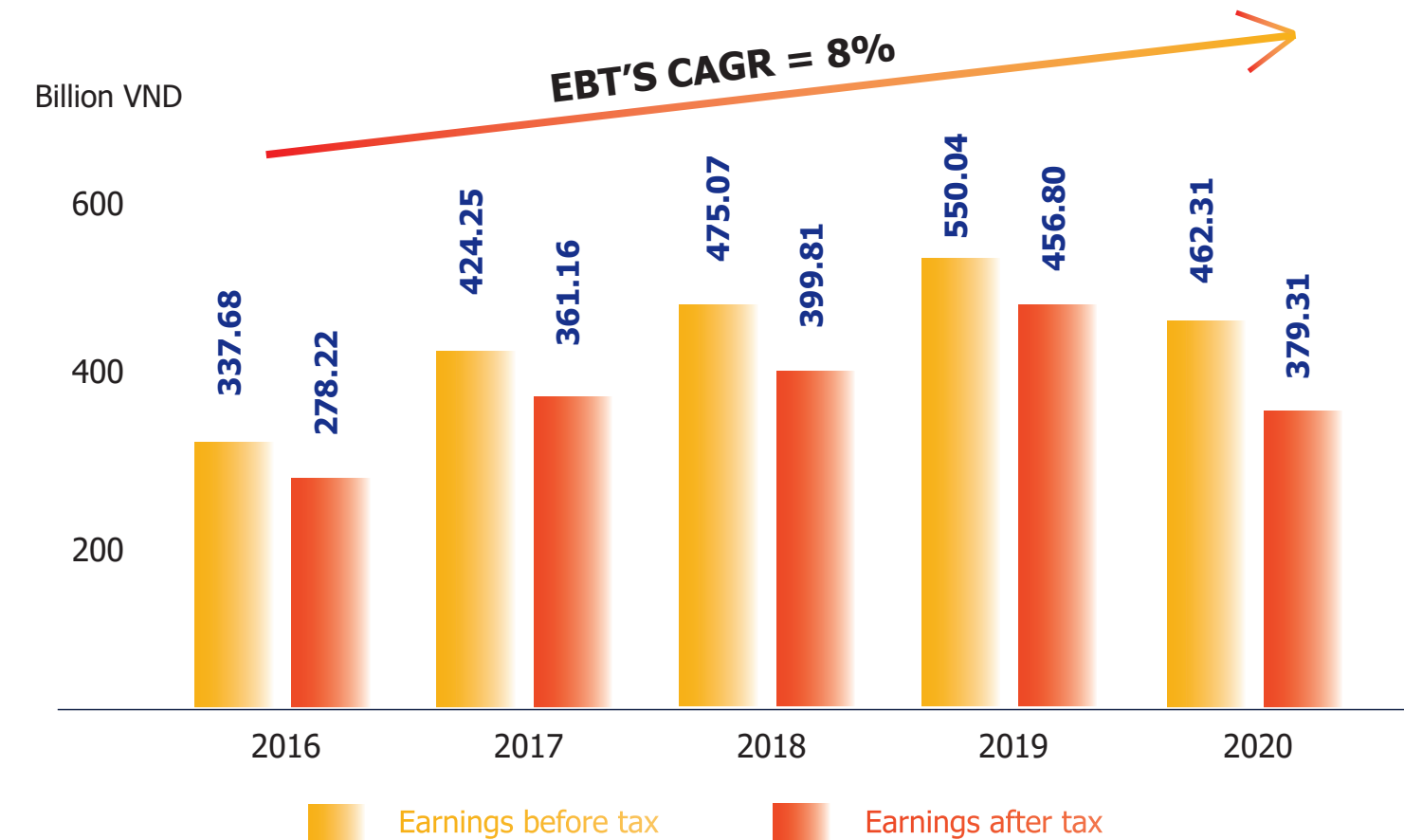
REVENUE AND GROSS PROFIT OVER YEARS



EARNINGS BEFORE TAX AND EARNINGS AFTER TAX DURING THE PERIOD 2016 - 2020

| Items | Unit | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-------------|--------|--------|--------|--------|--------|
| Earnings before tax | Billion VND | 337.68 | 424.25 | 475.07 | 550.04 | 462.31 |
| Earnings after tax | Billion VND | 278.22 | 361.16 | 399.81 | 456.80 | 379.31 |

EARNINGS BEFORE TAX AND EARNINGS AFTER TAX OVER YEARS



In general, PTB's revenue and gross profit underwent a positive growth during the period 2016 - 2020 due to the annual expansion of its core business capacity. Specifically, the average growth of net revenue was 12%/year. The gross profit, accordingly, also increased steadily over the years, reaching a record number of VND1,140 billion in 2020. By good preparation, embracing new opportunities from supply shifting from China to Southeast Asian countries, trade agreements between Europe and Vietnam, along with the Company's product restructuring, with intensively increased processed products was the main reason for the Company to achieve the above positive growth figures.

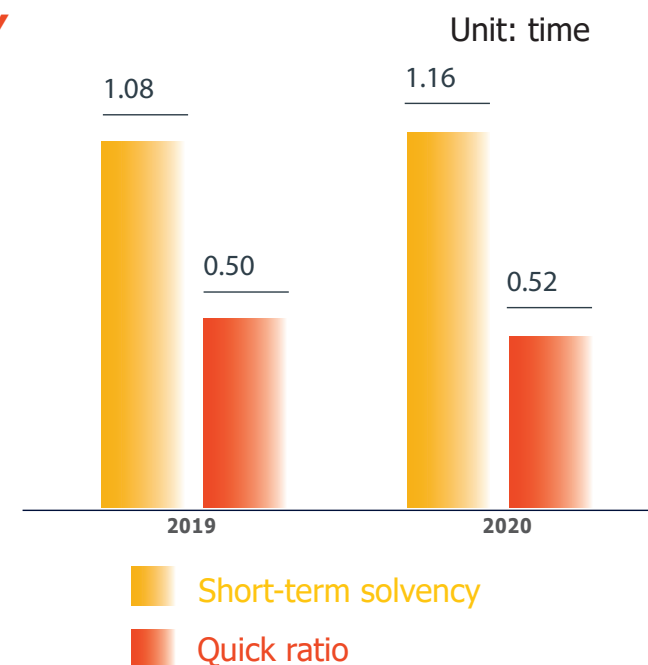
The Company's EBT and EAT also recorded positive growth over the period 2016 - 2019 to the high of VND 550 billion and VND 456 billion in 2019, respectively. However, in 2020, due to the complicated development of the Covid-19 epidemic, high operating costs caused the EBT and EAT items to decrease by 15% and 16% respectively year over year.

FINANCIAL SITUATION

| Parameter | Unit | 2019 | 2020 |
|--|------|--------|--------|
| Solvency | | | |
| Short-term solvency | Time | 1.08 | 1.16 |
| Quick ratio | Time | 0.50 | 0.52 |
| Capital structure | | | |
| Debt/total asset | % | 57.37 | 58.33 |
| Debt/Owner's equity | % | 134.55 | 139.95 |
| Operational capability | | | |
| Inventory turnover | Time | 3.77 | 3.17 |
| Asset turnover ratio | Time | 1.44 | 1.23 |
| Profitability | | | |
| Earnings after tax/Net Revenue (ROS) | % | 8.23 | 6.77 |
| Earnings after tax/ average Owner's equity (ROE) | % | 26.00 | 20.00 |
| Profit after tax/average total asset (ROA) | % | 12.02 | 8.00 |
| Operating profit/Net Revenue | % | 9.77 | 7.84 |

SOLVENCY

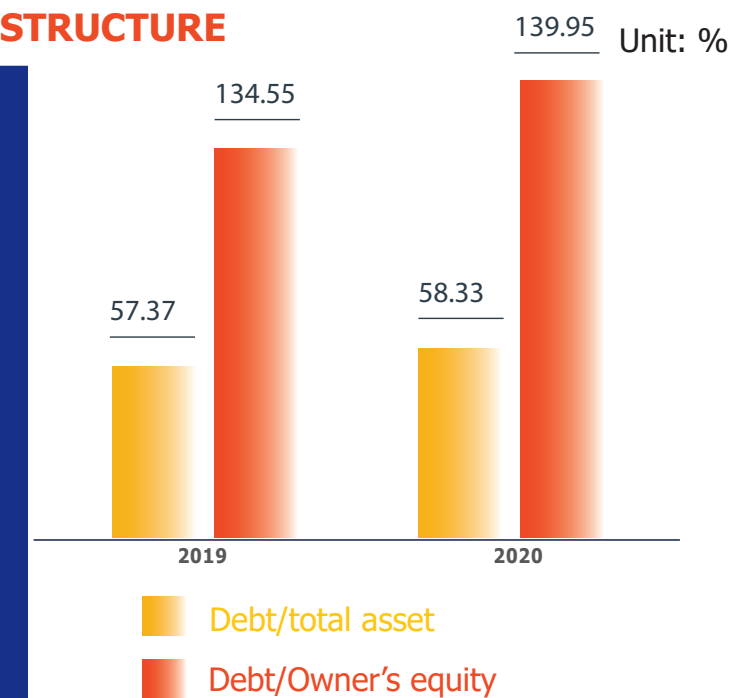
The solvency ratios of the Company increased slightly in 2020. Notably, the current ratio was slightly 0.08 time higher than that in 2019, remaining above 1 while the quick ratio went up from 0.50 times to 0.52 times in 2020. The increase in PTB solvency came from the increase in bank deposits (especially the deposits at Saigon Commercial Bank doubled compared to 2019, to VND100 billion). Moreover, in this year the Company invested more than VND12 billion in securities and financial instruments, while short-term loans decreased by more than 17%.



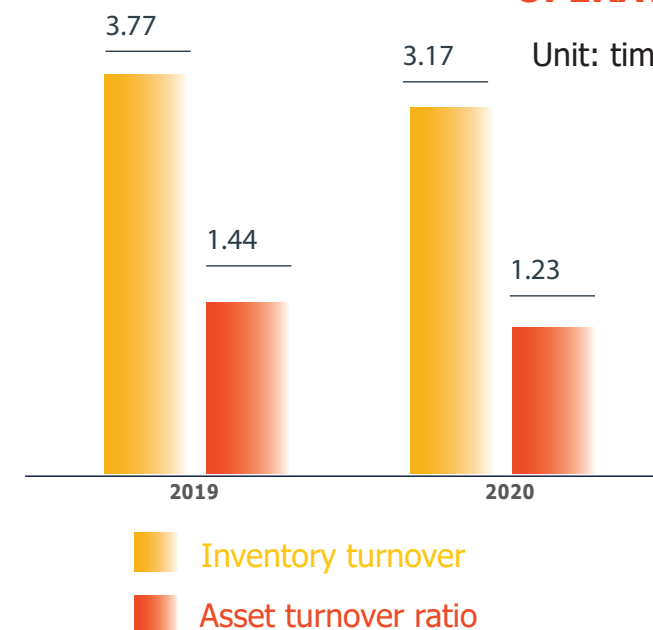
CAPITAL STRUCTURE

Overall, the Company's capital structure in 2020 slightly went up. This was mainly because a sharp increase in long term liabilities (largely normal bond) by more than 81% year over year. Specifically, in 2020, the Company's debt ratios rose slightly compared to 2019, the Debt/Total assets ratio rose from 57.37% to 58.33%, the Debt/Equity ratio increased from 134.55% to 139.95%.

During the period of 2018 - 2020, PTB had to increase its fund raising to invest in the Artificial Quartz Factory in Nhon Trach with long-term loans and bond issuance which thus significantly increased the Company's interest burden. However, when the Quartz Factory is completed and other projects come into operation, the capital structure indicators will improve.



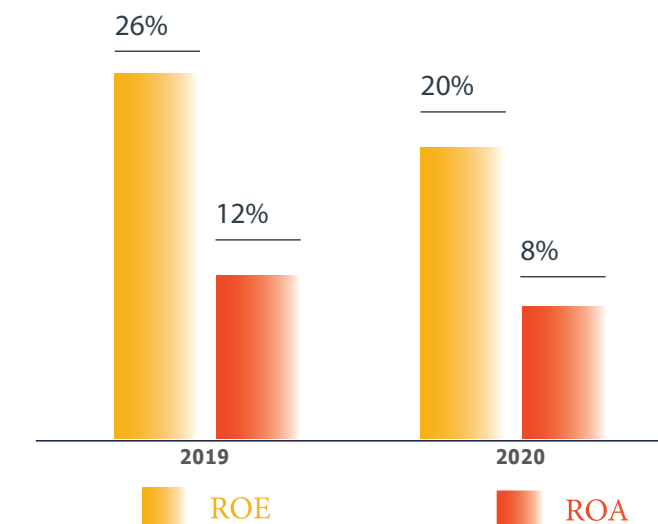
OPERATIONAL CAPABILITY



In 2020, the Company's inventory turnover was a little bit lower than in the previous year, from 3.77 times to 3.17 times, which was because the increase in inventories due to the Company's higher volume of automobiles manufactured and wood products for export. The total asset turnover also decreased slightly from 1.44 times to 1.23 rounds in 2020, one dong of assets generated 1.23 dong of revenue. When the Company's construction projects are put into stable and efficient operation, its operational capabilities will increase again in the future.

PROFITABILITY

The profitability ratios of the Company decreased due to the decrease in its net profit margin in 2020. Specifically, the return on average owner's equity (ROE) decreased from 26% to 20%, while the ROA decreased from 12% to just 8%. In 2020, the Company's gross profit margin was relatively stable and steadily increased over the years. However due to the impacts caused by the Covid-19, its operating costs sharply went up; as a result, its EAT dropped sharply, and subsequently the net income decreased (from 8% in 2019 to 7% in 2020).



SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S EQUITY

SHARE INFORMATION AS OF DECEMBER 31, 2020

| | |
|-------------------------------|--------------------|
| The Company's Charter Capital | VND485,994,410,000 |
| Total number of shares | 48,599,441 shares |
| Number of outstanding shares | 46,059,181 shares |
| Number of treasury shares | 2,540,260 shares |
| Par value | 10,000 VND/share |

SHAREHOLDERS STRUCTURE AS OF DECEMBER 31, 2020

| No. | Type of Shareholder | Number of shareholders (Person) | Number of shares held (Share certificate) |
|------------|------------------------------|------------------------------------|---|
| I | Domestic shareholders | 2,822 | 37,664,563 |
| 1 | State shareholders | - | - |
| 2 | Institutional shareholders | 38 | 1,008,402 |
| 3 | Individual shareholders | 2,784 | 36,656,161 |
| II | Foreign shareholders | 125 | 8,394,618 |
| 1 | Individuals | 91 | 1,058,748 |
| 2 | Institutions | 34 | 7,335,870 |
| III | Treasury shares | 1 | 2,540,260 |

CHANGE IN CHARTER CAPITAL

None.

TRANSACTION OF TREASURY SHARES

| Information | Before change | Change | After change | Reason for the Change |
|---------------------------|---------------|------------|--------------|-------------------------------|
| Number of treasury shares | 1,300,000 | +1,240,260 | 2,540,260 | Repurchase of treasury shares |

OTHER SECURITIES

None.



REPORT OF THE BOARD OF MANAGEMENT

| | | |
|----|---|----|
| 01 | REPORT ON THE COMPANY'S BUSINESS AND MANUFACTURING ACTIVITIES | 57 |
| 02 | FINANCIAL SITUATION | 59 |
| 03 | PROGRESS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT | 63 |
| 04 | FUTURE DEVELOPMENT PLAN | 64 |

REPORT ON THE COMPANY'S BUSINESS AND MANUFACTURING ACTIVITIES

STONE SEGMENT

2020: The stone segment grew, and the artificial quartz factory was put into operation; the products were mainly for export markets. Phu Tai always bought and accumulated quarries, expanded its factories to increase capacity through M&A. The transportation cost of stone has usually been very high due to the weight of a solid rock of which the weight is about 2.75 tons. PTB's factories are located very close to the quarries, helping PTB reduce transportation costs in production costs. The Company has always been in complete control over the supply for its long-term growth, PTB quarries are now large in deposit with approximately 53 million m3 which is mainly color stone quarries; and the remaining exploitation term of other quarries are more than 20 years. This helps the Company to be always proactive and ensure its supply of raw materials for production. The Company is assessing the feasibility of investing in the project of a quartz powder material factory to be take complete control over and ensure security from domestic raw materials, limiting importing raw materials.

WOOD SEGMENT

Wood segment of the Company continued to grow thanks to the opportunities to export to the US market. In 2020, taking advantage of favorable and objective conditions, with its available potentials in the production of raw material plank, PTB decided to invest in building Binh Dinh Wood Factory. The project was divided into 2 phases starting from the QIV/2020 to and will be completed by 2022 with the total estimated investment in phases 1 & 2 is VND400 billion. Total investment of Phase 1 is VND236.8 billion with 70% funded by commercial bank loans. It is expected to be completed in QII/2021, the factory will be put into operation with about 50% of design capacity. It is expected that Binh Dinh Wood Factory will contribute USD40 million to total revenue when reaching 100% of design capacity. Exports of Vietnam's wood industry in recent years have seen a high growth rate, especially to the US market, contributing to a large increase in the trade surplus of Vietnamese goods exporting to this market. Vietnam enterprises have been at risk of the US application of defense policies on Vietnamese goods (including wood products) will cause unfavorable impacts on the export of wood products and development investment in the wood industry in the coming time.



IMPROVEMENTS OBTAINED BY THE COMPANY

- Under fierce competition against domestic and foreign competitors, The Company and its affiliates have made great efforts to maintain the traditional market and develop new customers. Organizing re-evaluation on marketing activities as well as setting out alternative solutions to change approaches. Developing flexible sales policies from time to time, in line with each type of the customers. Paying serious attention in investing, developing new products with high added value in order to take full control over the goods to launch to the market.
- The Company's export saw a good growth pace by 42.96% year over year.
- Measures to control: Controlling business and production activities systematically and regularly.
- The technical and economic norm systems, production cost management processes are regularly evaluated and improved to be in line with the applied production scale and technology.
- Applying product quality control over each production function; Maximizing the ability to detect and promptly correct product errors; Maintaining the assessment, improvement and practical application of quality management systems ISO9001: 2008, COC, FSC.



FINANCIAL SITUATION

ASSET STRUCTURE OVER 5 YEARS

Unit: Billion VND

| Parameter | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 |
|----------------------------------|------------|------------|------------|------------|------------|
| Current assets | 1,110.31 | 1,415.41 | 2,096.12 | 2,440.61 | 2,738.23 |
| Cash and cash equivalents | 33.77 | 55.42 | 67.04 | 126.52 | 167.78 |
| Short-term financial investments | 43.76 | 49.30 | 157.55 | 50.45 | 112.60 |
| Inventories | 530.91 | 720.51 | 1,020.17 | 1,321.76 | 1,440.42 |
| Other current assets | 53.31 | 72.28 | 120.40 | 202.78 | 193.23 |
| Non-current assets | 700.21 | 1,166.02 | 1,303.12 | 1,888.08 | 2,035.53 |
| Fixed assets | 583.03 | 994.50 | 1,081.39 | 1,479.73 | 1,462.75 |
| Non-current asset in progress | 41.13 | 66.28 | 93.46 | 158.11 | 249.58 |
| Other non-current assets | 69.48 | 95.96 | 113.35 | 226.46 | 293.30 |
| Total assets | 1,810.52 | 2,581.43 | 3,399.24 | 4,328.69 | 4,773.76 |

As of December 31, 2020, current assets accounted for 57% of the total assets of PTB, increasing by more than 12% year over year. This increase mainly came from the sudden increase in term deposits at Saigon Commercial Bank; financial investments in securities and financial instruments. There was not much change in the inventories (accounting for nearly 55% of total current assets) in 2020 in comparison with 2019 with VND1,440 billion. The short-term receivables from major customers such as Masterbrand Cabinets INC, Autonomous Inc and other current assets accounted for 28% and 7% of the current asset structure, respectively, which meant not much change compared to the end of the year 2019.

The Company's non-current assets accounted for roughly 42%% of the total assets as of December 31, 2020. PTB's long-term assets were amounting VND2,035.5 billion, about 8 percent higher year over year and 191% higher from the figure in 2016. The increase in non-current assets largely came from the construction of Tuan Dat Factory and the artificial quartz factory in Dong Nai. During the 2016-2020 period, fixed assets increased steadily over the years because PTB always purchased and accumulated quarries, expanded and invested in new wood and stone processing factories.

LIABILITIES AND OWNER'S EQUITY STRUCTURE OVER 5 YEARS

Unit: Billion VND

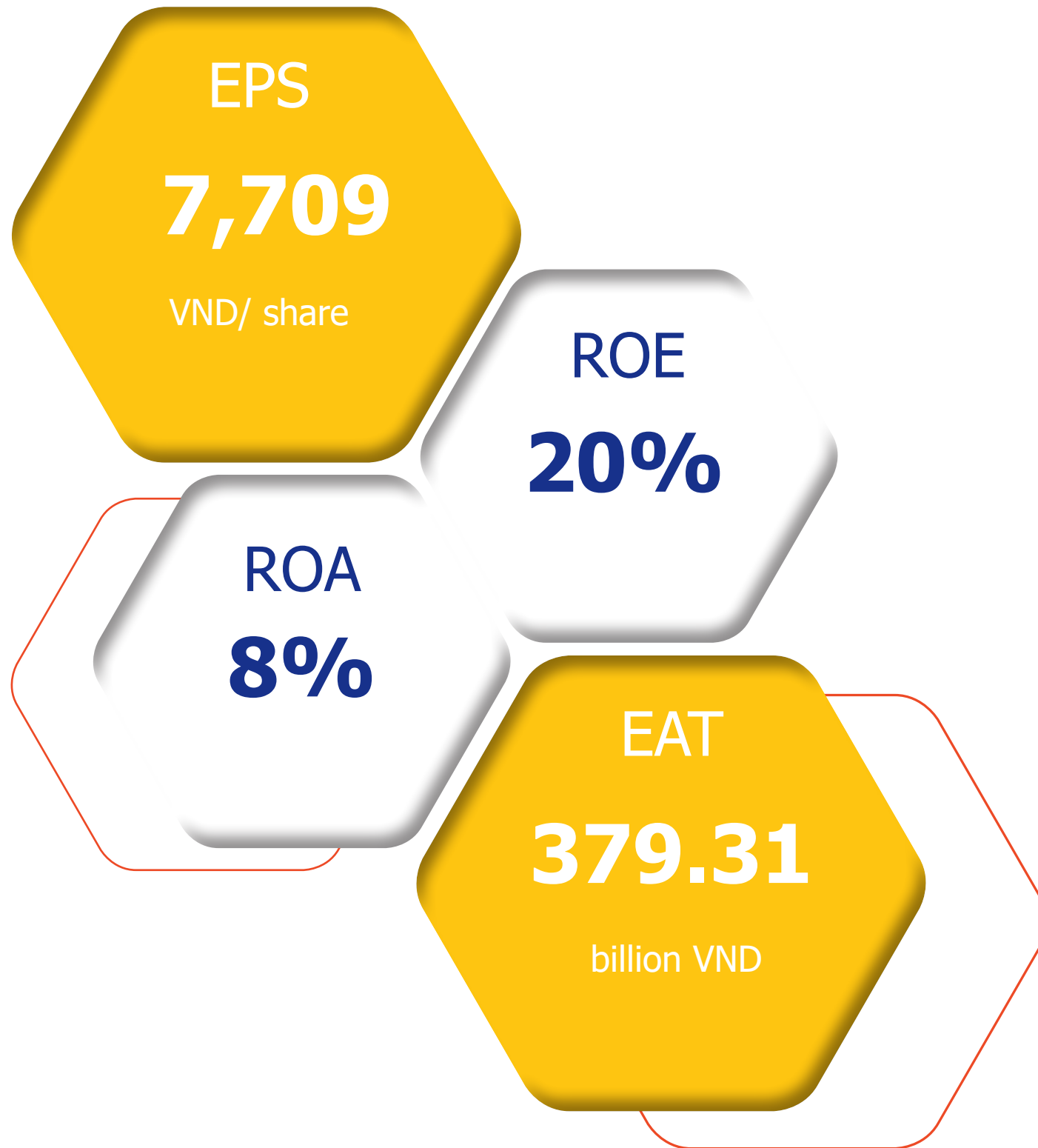
| Parameter | 31/12/2016 | 31/12/2017 | 31/12/2018 | 31/12/2019 | 31/12/2020 |
|---|------------|------------|------------|------------|------------|
| Liabilities | 1,014.26 | 1,484.94 | 1,740.06 | 2,483.18 | 2,783.13 |
| Short-term liabilities | 995.07 | 1,379.86 | 1,657.27 | 2,252.70 | 2,462.28 |
| Long-term liabilities | 19.19 | 105.09 | 82.79 | 230.48 | 320.85 |
| Owner's equity | 796.26 | 1,096.48 | 1,659.19 | 1,845.52 | 1,990.63 |
| Contributed capital | 216.01 | 259.20 | 485.99 | 485.99 | 485.99 |
| Undistributed earnings | 260.53 | 337.74 | 385.46 | 445.73 | 380.06 |
| Total liabilities and Owner's equity | 1,810.52 | 2,581.43 | 3,399.24 | 4,328.69 | 4,773.76 |

In respect of the Company's capital structure, liabilities still accounted for the highest proportion in its liabilities and owner equity, with 58% in 2020 which was not so different since 2016. PTB liabilities were largely short-term liabilities, accounting for 85% of total liabilities for the year 2020. The Company's Short-term liabilities mainly came from (i) appropriation from suppliers such as An Phong Construction Joint Stock Company, Hoang Giang Company Limited and other suppliers, (ii) Short-term loans from commercial Banks. Long-term liabilities accounted for about 15% of total liabilities, an increase of nearly 50% year over year which was mainly due to the issuance of ordinary bonds by the Company.

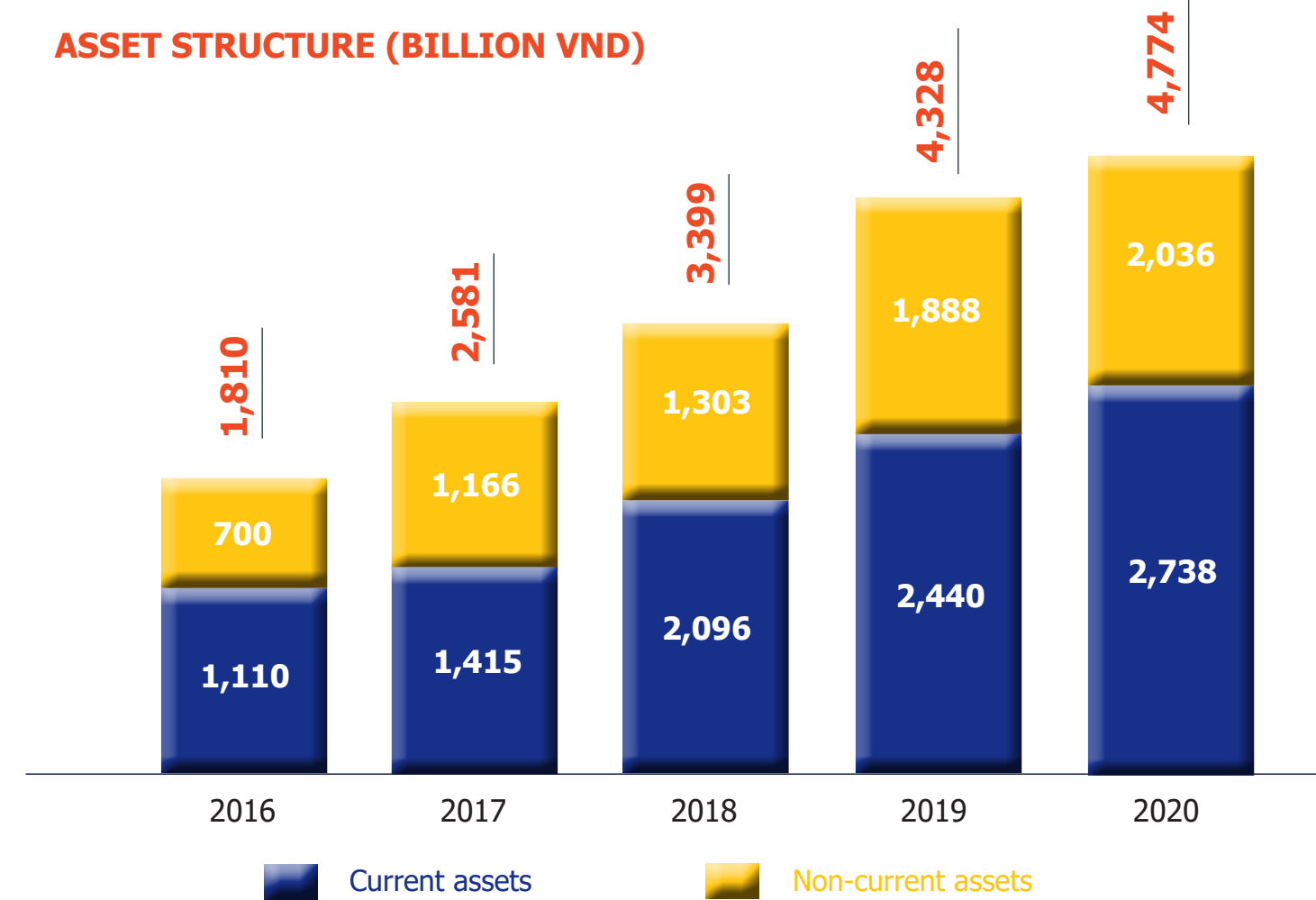
There was an insignificant increase in the Company's Owner's equity in 2020, increasing by approximately 8% year over year. PTB did not increase its charter capital since 2018, so the charter capital remained VND486 billion. In 2020, the Company's undistributed EAT were below the steady growth rate obtained in the 2016-2019 period. This was because during the year the Company made 2 dividend payments for the year 2019, with the dividend payout ratios were VND1,000/ share and VND2,000/ share, respectively.



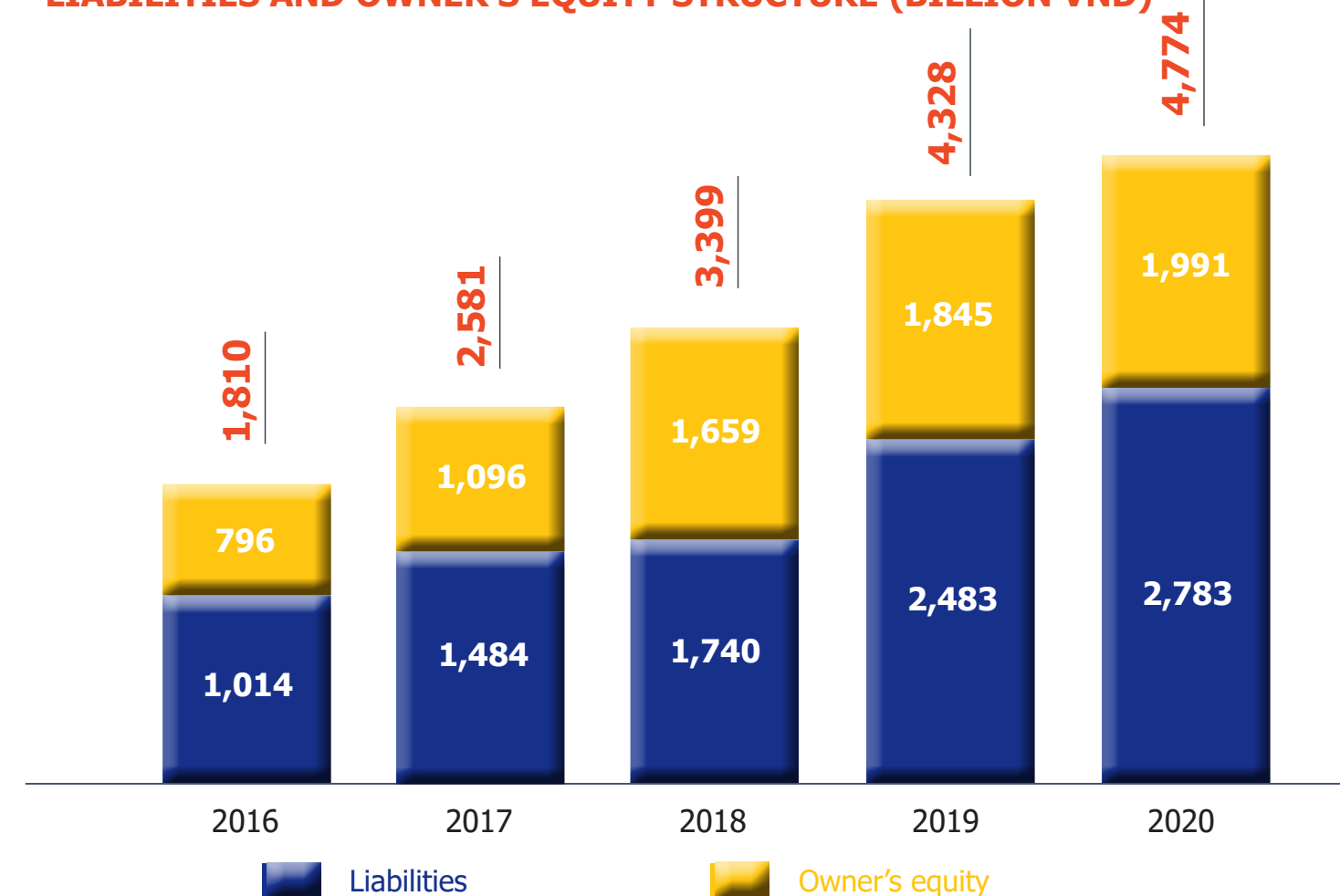
FINANCIAL SITUATION



ASSET STRUCTURE (BILLION VND)



LIABILITIES AND OWNER'S EQUITY STRUCTURE (BILLION VND)



PROGRESS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

Regular tasks required during the year:

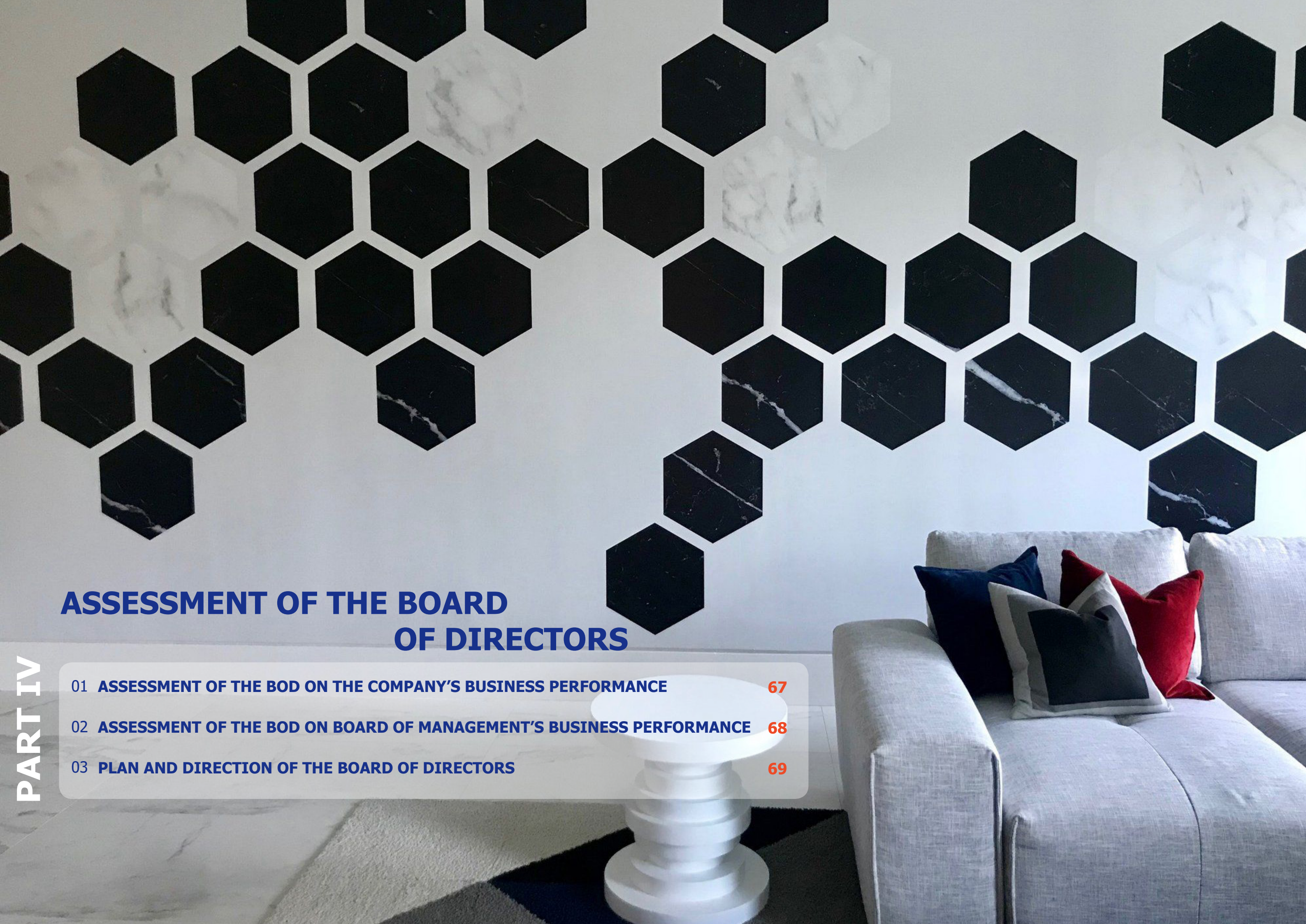
- Progress in organizational structure;
- Progress in management, organization of production, employee management, production cost management, good management of the employees policy;
- Amendments, supplements to salary regulation, bonus regulation, technical and economic norms, Collective Labor Agreement, production managing regulation and so on;
- Change of recruitments, training policies, arranging personnel in line with actual conditions of business and manufacturing.



FUTURE DEVELOPMENT PLAN

- Strengthening intensive investment in research and development of new products of the stone and wood industries.
- Enhancing investment in existing manufacturing industries as well as new projects, intensive new industries, using advanced technologies to enhance competitiveness and minimize environmental impacts.
- Strictly managing and controlling the supply chain of raw materials in the condition of increased requirements of quantity and quality from the domestic market and export markets;
- Ensuring quality for personnel at senior management levels as well as creating sources of successors to meet the Company's development requirements in the coming time.





ASSESSMENT OF THE BOARD OF DIRECTORS

| | | |
|----|---|----|
| 01 | ASSESSMENT OF THE BOD ON THE COMPANY'S BUSINESS PERFORMANCE | 67 |
| 02 | ASSESSMENT OF THE BOD ON BOARD OF MANAGEMENT'S BUSINESS PERFORMANCE | 68 |
| 03 | PLAN AND DIRECTION OF THE BOARD OF DIRECTORS | 69 |

ASSESSMENT OF BOD ON THE COMPANY'S BUSINESS PERFORMANCE



The company was well-prepared and highly determined, at the same time, they were so flexible in the implementation of production and business tasks in 2020, well adapting to the rapidly changing business environment. Making reasonable use of the resources and advantages, taking advantages of business opportunities. In the context of unfavorable changes in the business environment in comparison with the forecast at the beginning of the year, the Company completed the production and business plan in 2020: consolidated revenue of the Group increased by 0.94%.

Outperformance of the development and investment targets. Completing investment projects to ensure sticking to the progress and quality, put into efficient operation in a timely manner, contributing to the increase in the scale and efficiency of production and business in 2020.

Shortcomings and factors affecting the business performance:

The investment in human resources, professionalism in production management, management and administration of the Company as well as some member units failed to achieve the set targets.

The recruitment and training of human resources for personnel at indirect management levels encountered some difficulties due to the attraction nature of the sector. The skills of a part of direct workers were not in good conditions to adapt to the product changes.

The company was well-prepared and highly determined, at the same time, they were so flexible in the implementation of production and business tasks in 2020, well adapting to the rapidly changing business environment. Making reasonable use of the resources and advantages, taking advantages of business opportunities.

ASSESSMENT OF BOD ON BOARD OF MANAGEMENT'S BUSINESS PERFORMANCE



Supervising the activities of the General Director and other managers was implemented in accordance with the laws and the Company's charter. The Board of Directors examined and monitored the business and production situation through direct inspections at the member units on monthly, quarterly basis and irregularly; simultaneously promptly issued decisions on corporate governance.

Inspecting and supervising the capital construction investment of the member units through the Project Management Board and directly at the projects.

The Board of Directors outperformed their assigned tasks, ensured the business efficiency, complied with the laws and was transparent in management.

Supervision results in 2020:

- The General Director managed the Company to accomplish the business and construction targets assigned by the General Meeting of Shareholders and the Board of Directors; implement the regulations on governance, be open and transparent in management and administration, protect the interests of the Company, not take advantage of his/her position and power for personal purposes. Organizing the implementation of investment projects in accordance with the law and the guidelines of the Board of Directors.
- For managerial officers, the Board of Directors did not detect any signs of violation against the Company's governance regulations and relevant legal documents. The majority of the Company's managers successfully completed their assigned tasks, the Deputy of General Directors outperformed the tasks assigned by the General Director, together with the General Director managed the Company to complete the production and business targets. The Board of Directors promoted in the best way their capabilities, qualities, responsibilities, upholding the spirit of union, discipline, always protecting the Company's interests, not taking advantage of positions, powers and business opportunities for personal purposes.

PLAN AND DIRECTION OF THE BOARD OF DIRECTORS

- Challenging goals are always set out to steer and manage, being drastic and flexible in managing, goal management associated with execution time. Improving the quality of planning the management targets of the business plans, monthly, quarterly and annual financial plans. Timely and accurately informing and reporting. Continuing to invest in developing the market for the Company's products, ensuring the smooth operation of the Company's production and business activities.
- Keeping close track of the macroeconomic developments, domestic and international money markets to promptly come up with solutions to adjust the Company's and its members' business and business activities, investment to adapt to any changes in the business environment.
- Mobilizing enough resources for investment to achieve development goals. Mobilizing enough resources for investment to achieve development goals. Ensuring sufficient and low-cost funds for business production and development investment.
- Building a rank of managers with a high sense of responsibility and determination, setting challenging production and business goals for short and long term and making efforts to achieve the set targets.
- Attaching significance to training and recruiting (domestic and foreign experts), improving the quality of human resources, implementing a reasonable remuneration regime to attract high-quality personnel to meet development needs, gradually making salary costs integrated. Ensuring the benefits for the shareholders so that they will enjoy the peace of mind in their long-term investments and attracting new investors to the company;
- Steering the Company's segments to have sustainable solutions to environmental problems, treat industrial waste and hazardous waste according to the laws. Seriously implementing the labor safety in production and business activities;
- Strengthening financial management, strictly implementing quarterly financial plans, making economical use of funds in production and business activities, strictly controlling inventories and receivables.

Stone exploiting and processing:

Synchronously implementing the solutions to expand and develop market scale. The Company will pay attention to export markets, develops and expands into new markets, avoiding too much focus on a single market to overcome the risk factors when the market is affected by economic - political uncertainties or trade protectionism policies;

Participating selectively in domestic and international trade fairs to promote brands and introduce products of the industry. Taking advantage of the opportunities from shifting supply markets from China to other countries, including Vietnam. Restructuring products to increase intensive processing, finished products such as cut stone products, lavabo, tombstones and so on for export and domestic purposes, in order to increase the value of products, then subsequently increase profit margins, contributing to increase the segment efficiency.

Attaching importance to investing in qualified human resources, including hiring foreign experts for manufacturing new products;

Continuing to invest in searching and buying more raw materials mines with good quality and reserves, various types of stones and colors with high profit margins. Building exploiting factories into professional units with advanced exploitation management capabilities, being the key units in implementing the material security strategy, ensuring the sufficient supply of raw materials for stone processing factories. Ensuring that the exploitation activities will fully satisfy the requirements in terms of legal documents as prescribed by law.



Wood processing:

Continuing market expansion associated with the process of customer restructuring. Effectively taking opportunities to switch its suppliers from China to Southeast Asian countries, Trade agreements between Europe and Vietnam ... to expand the market size; exploiting the capacities of the factories that the Company has been investing to their fullest.

Improving management capability, focusing on internal administration to create a breakthrough in the management of input factors, raw materials for production. Scientifically arranging the production lines, implementing daily production progress control, good product quality control, and production costs, striving to achieve the proposed efficiency targets of the segment;

Strictly obeying the instructions of the Board of Directors on the development of the wood segment.

Automobile trading and service, and real estate:

Proactively formulating flexible sales policies, investing in improving service quality, attracting customers, maintaining Toyota Da Nang's market share; continuing the investments in the reserve land bank in line with new projects in the coming years.

| No. | Targets | Plan for the year 2021 (million vnd) | Change year over year |
|-----------|----------------|---|-----------------------|
| I | REVENUE | 7,000,000 | 24% |
| 1 | Stone segment | 1,628,000 | 13% |
| 2 | Wood segment | 3,494,000 | 16% |
| 3 | Auto segment | 1,228,000 | 7% |
| 4 | Real estates | 628,000 | - |
| 5 | Others | 22,000 | - |
| II | PROFIT | 650,000 | 40% |
| 1 | Stone segment | 264,145 | 11% |
| 2 | Wood segment | 257,531 | 16% |
| 3 | Auto segment | 17,124 | - |
| 4 | Real estates | 103,000 | - |
| 5 | Others | 8,300 | - |



CORPORATE GOVERNANCE

| | | |
|----|---|----|
| 01 | BOARD OF DIRECTORS | 73 |
| 02 | INTERNAL AUDITING COMMITTEE | 77 |
| 03 | TRANSACTIONS, REMUNERATION AND BENEFITS OF BOD,SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT. | 79 |

BOARD OF DIRECTORS

LIST OF THE MEMBERS OF THE BOARD OF DIRECTORS

| Full name | Position | Number of shares held |
|-----------------|---------------------------|-----------------------|
| Le Vy | Chairman of BoD | 5,962,485 |
| Le Van Thao | Vice-chairman of BoD | 3,800,833 |
| Phan Quoc Hoai | Member of BoD | 880,272 |
| Tran Thanh Cung | Member of BoD | 1,965,625 |
| Nguyen Sy Hoe | Member of BoD | 2,699,698 |
| Le Van Loc | Member of BoD | 2,798,602 |
| Do Xuan Lap | Independent Member of BoD | 225,140 |
| Tran Huu Duc | Independent Member of BoD | 69,291 |

PROFILE OF BOARD OF DIRECTORS

MR. LE VAN THAO See Profile of the Board of Management members

MR. PHAN QUOC HOAI See Profile of the Board of Management members

MR. TRAN THANH CUNG See Profile of the Board of Management members

MR. NGUYEN SY HOE See Profile of the Board of Management members

MR. LE VY

| | |
|--------------------------|------------------------------------|
| Position | Chairman of BoD |
| Year of birth | 20/12/1958 |
| Gender | Male |
| Place of birth | Nghi Van - Nghi Loc - Nghe An |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | 120 Nguyen Thi Dinh, Quy Nhon City |
| Qualification | Bachelor of Economics |

MR. LE VAN LOC

| | |
|--------------------------|--|
| Position | Member of the Board of Directors cum Director off Phu Tai Dong Nai Company Limited |
| Year of birth | 29/12/1973 |
| Gender | Male |
| Place of birth | Nghi Van - Nghi Loc - Nghe An |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | 2/2 Ly Thuong Kiet, Ward 15, District 11, HCMC |
| Qualification | Bachelor of Economics - Major: Business Administration |

MR. DO XUAN LAP

| | |
|--------------------------|--|
| Position | Independent Member of BoD |
| Year of birth | 1958 |
| Gender | Male |
| Place of birth | Binh Dinh |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | 96 Pham Hung, Quy Nhon City, Binh Dinh |
| Qualification | Advanced level of Politics theory |

MR. TRAN HUU DUC

| | |
|--------------------------|------------------------------------|
| Position | Independent Member of BoD |
| Year of birth | 1950 |
| Gender | Male |
| Place of birth | Binh Dinh |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | 25 Y Lan, Quy Nhon City, Binh Dinh |
| Qualification | University of Banking |

BOARD OF DIRECTORS

SUB-COMMITTEE UNDER THE BOARD OF DIRECTORS

None

ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors performed regular supervision, inspected and evaluated the activities of the Board of Directors in:

- Complying with the laws, the Company's charter, internal rules and regulations, resolutions of the General Meeting of Shareholders, Resolutions - Decisions of the Board of Directors;
- Implementing investment projects, orientation to expand the Company's production and business, and making investment plans for potential development projects;
- Performing financial and settlement works in the company member units and with the State authorities;
- Applying management practices of the Board of Management in the best ways to ensure the rights and interests of the shareholders and the Company's employees;
- Strengthening information exchange between the Board of Directors and the Board of Management to make reasonable and timely decisions.

MEETINGS OF THE BOARD OF DIRECTORS

| Full name | Position | Number of attendance | Percentage |
|-----------------|---------------------------|----------------------|------------|
| Le Vy | Chairman of BoD | 8 | 100% |
| Le Van Thao | Vice-chairman of BoD | 8 | 100% |
| Phan Quoc Hoai | Member of BoD | 8 | 100% |
| Tran Thanh Cung | Member of BoD | 8 | 100% |
| Nguyen Sy Hoe | Member of BoD | 8 | 100% |
| Le Van Loc | Member of BoD | 8 | 100% |
| Do Xuan Lap | Independent Member of BoD | 8 | 100% |
| Tran Huu Duc | Independent Member of BoD | 8 | 100% |

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

| Number of Resolution | Time | Contents |
|----------------------|------------|---|
| 11/NQ-HĐQT | 16/01/2020 | Ratifying transactions in 2020 with related companies. |
| 12/NQ-HĐQT | 16/01/2020 | Disclosing the implementation of the business and production plan in 2019 and business and production plan for 2020. |
| 32/NQ-HĐQT | 30/03/2020 | Agreeing on the contents of 1s advance payment of dividend for the year 2019. Authorizing the Chairman of the Board of Directors to carry out relevant procedures to make 1st advance payment of the dividend 2019 in accordance with the law. |
| 34/NQ-HĐQT | 01/04/2020 | Disclosing information about repurchase of treasury shares. |
| 41/NQ-HĐQT | 20/04/2020 | Disclosing the business and production results of QI/2020; business plan for Quarter II/2020. |
| 48/NQ-HĐQT | 18/05/2020 | Disclosing information about change in the number of outstanding shares. |
| 82/NQ-HĐQT | 12/08/2020 | Decision of the Board of Directors on the establishment of subsidiary. |
| 80/NQ-HĐQT | 20/08/2020 | Decision of the Board of Directors on the approval of the investment project for the furniture wood processing factory. |
| 396/NQ-HĐQT | 29/12/2020 | Announcement on the termination of the Company's branch - Hung Yen tile processing factory. |
| 73/NQ-HĐQT | 17/07/2020 | Disclosing the business and production results of first 6 months of the year 2020; business plan for Quarter III/2020. |

INTERNAL AUDITING COMMITTEE

LIST OF INTERNAL AUDIT COMMITTEE MEMBERS

| Full name | Position | Number of shares |
|-------------------|----------------------------------|------------------|
| Bui Thuc Hung | Head of Internal Audit Committee | 204,292 |
| Truong Cong Hoang | Member | 9,006 |
| Dang Thi Tu Oanh | Member | 8,295 |
| Phan Minh Duong | Member | - |

PROFILE OF INTERNAL AUDIT COMMITTEE MEMBERS

MR. BUI THUC HUNG

| | |
|--------------------------|---|
| Position | Head of Internal Audit Committee |
| Year of birth | 10/08/1963 |
| Gender | Male |
| Place of birth | Huong Thuy - Huong Khe - Ha Tinh |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | Nguyen Van Cu ward - Quy Nhon City - Binh Dinh province |
| Qualification | Bachelor of Economics |

MR. TRUONG CONG HOANG

| | |
|--------------------------|---|
| Position | Member of Internal Audit Committee |
| Year of birth | 08/07/1974 |
| Gender | Male |
| Place of birth | Quy Nhon - Binh Dinh |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | Dong Da ward - Quy Nhon City - Binh Dinh |
| Qualification | Bachelor degree of Information Technology, Second degree of Business Administration |

MS. DANG THI TU OANH

| | |
|--------------------------|--|
| Position | Member of Internal Audit Committee |
| Year of birth | 23/10/1979 |
| Gender | Female |
| Place of birth | Quy Nhon - Binh Dinh |
| Nationality | Viet Nam |
| Ethnic group | Kinh |
| Permanent Address | 42 Dang Thi Tram - Ghenh Rang ward - Quy Nhon City - Binh Dinh |
| Qualification | Bachelor degree of Finance - Banking |

MEETINGS OF THE INTERNAL AUDIT COMMITTEE

| FULL NAME | POSITION | NUMBER OF MEETINGS | PERCENTAGE |
|-------------------|----------------------------------|--------------------|------------|
| Bui Thuc Hung | Head of Internal Audit Committee | 4 | 100% |
| Truong Cong Hoang | Member | 4 | 100% |
| Dang Thi Tu Oanh | Member | 4 | 100% |
| Phan Minh Duong | Member | 4 | 100% |

THE SUPERVISION AND COORDINATION OF THE INTERNAL AUDIT COMMITTEE OVER THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND OTHER MANAGERS

The Internal Audit Committee is a function under the Board of Directors, a body that advises and supports the Board of Director in the inspection and supervision of the Company's production and business activities, ensuring the Company's operations in line with the Charter and law. The Internal Audit Committee performs the tasks and functions in accordance with its Regulation on organization and operation and assumes responsibility to the Board of Directors for its supervision activities.

TRANSACTIONS, REMUNERATION & BENEFITS OF THE BOD, SUPERVISORY BOARD & THE BOARD OF MANAGEMENT

SALARY, REWARDS, REMUNERATION AND BENEFITS

Unit: VND Dong

| Full Name | Salary, remunerations | Bonus |
|------------------------------------|-----------------------|--------------------|
| BOARD OF DIRECTORS | 2,638,530,000 | 152,500,000 |
| Le Vy | 1,371,600,000 | 40,100,000 |
| Tran Thanh Cung | 141,540,672 | 17,100,000 |
| Phan Quoc Hoai | 141,540,672 | 20,200,000 |
| Le Van Thao | 417,685,968 | 30,400,000 |
| Nguyen Sy Hoe | 141,540,672 | 26,700,000 |
| Le Van Loc | 141,540,672 | 18,000,000 |
| Do Xuyen Lap | 141,540,672 | - |
| Tran Huu Duc | 141,540,672 | - |
| INTERNAL AUDITING COMMITTEE | 1,224,620,200 | 28,100,000 |
| Bui Thuc Hung | 514,900,000 | 12,700,000 |
| Truong Cong Hoang | 407,570,000 | 9,600,000 |
| Dang Thi Tu Oanh | 302,150,200 | 5,800,000 |
| BOARD OF MANAGEMENT | 3,670,817,884 | 16,700,000 |
| Le Van Thao | 1,027,163,837 | - |
| Tran Thanh Cung | 579,445,500 | - |
| Phan Quoc Hoai | 683,744,370 | - |
| Nguyen Sy Hoe | 771,334,337 | - |
| Nguyen Thi My Loan | 609,129,840 | 16,700,000 |
| TOTAL | 7,533,968,084 | 197,300,000 |

CONTRACTS OR TRANSACTIONS OF INTERNAL SHAREHOLDERS

None

SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS

| Person conducting the transactions | Relationship with internal persons | Sell/buy | Number of shares | Number of shares at the end of the period | Percentage of holding |
|------------------------------------|------------------------------------|----------|------------------|---|-----------------------|
| Nguyen Sy Hoe | Deputy General Director | BUY | 200,000 | 2,699,698 | 5.56% |
| Le Vy | Chairman of BoD | BUY | 200,000 | 5,962,485 | 12.27% |
| Le Van Thao | General Director | BUY | 243,500 | 3,800,833 | 7.82% |
| Vo Thi Hoai Chau | Wife | BUY | 11,000 | 1,260,788 | - |
| Nguyen Viet Minh Phung | Brother | SELL | 4,000 | 242 | - |





SUSTAINABLE

DEVELOPMENT




Encouraging all the employees throughout the company to actively participate in the “Technical Innovation Initiative”, contributing to improving production and business efficiency.

ENERGY CONSUMPTION

| Energy | Volume of consumption | | | |
|--------------------------------|-----------------------|--------|---------|---------|
| | 2017 | 2018 | 2019 | 2020 |
| Electricity (million Kwh/year) | 62.76 | 84.146 | 96.112 | 105.934 |
| Gas (kg/year) | 89,825 | 99,852 | 133,561 | 297,014 |

The Company's main energies were: Electricity and Gas. In 2020, the Company consumed: 105.934 million Kwh of electricity (an increase of 10.22% year over year), 297,014 kg of Gas (an increase of 122.38% year over year).

Policies applied by the Company to save energies were:

- (i) Using modern production lines and technology with little energy consumption and causing no environmental impacts.
- (ii) Disseminating awareness of electricity saving among the employees in production and living at home.

WATER CONSUMPTION

| Energy | Volume of consumption | | | |
|------------|-----------------------|--------|---------|---------|
| | 2017 | 2018 | 2019 | 2020 |
| Water (m³) | 87,607 | 88,463 | 100,836 | 110,711 |

The water used by the Company was supplied by water supply and drainage company, mainly for domestic purposes. In 2020, the entire Company consumed 110,711 m3 (9.8% higher year over year).

To minimize negative impacts on the environment, the Company always complied with the laws on environmental protection, built and upgraded the standard wastewater treatment system, encouraged the employees to save water.

COMPLYING WITH THE LAW ON ENVIRONMENTAL PROTECTION

The Company's units have made a good performance of the environmental impact assessment reports once every 3 months and every 6 months to the authorities. The units made plans to treat non-hazardous industrial waste, built a wastewater treatment system for production and daily activities before being discharged into the environment, a hazardous solid waste warehouse, equipped with barrels to store hazardous waste and signed contracts with functional entities to collect and treat according to the regulations. Hence, the environment in the manufacturing factories were always ensured.

REPORTS RELATING TO THE COMPANY'S RESPONSIBILITY TO THE LOCAL COMMUNITY

- In 2020, the Company contributed VND693 million.
- Extra organizations: Trade union, Youth union are still in good status. The trade union coordinated with the Company's Board of Directors to organize the Employees Conference.
- Performing the activities of gratitude, taking care of 01 Vietnamese Heroic Mother, always keeping good relationship with the local authorities where the units reside.

693 million VND

contributed for locality and community.



EMPLOYEES RELATED POLICIES

Policy to protect the employees' occupational health, safety and benefits

- 100% employees were covered with insurance, property insurance were purchased by the units at high risk of fire, accidents.
- The number of labor accidents and traffic accidents in 2020 were 39 cases, 12 cases less than in 2019); In which: Occupational accidents: 37 cases (380 Factory : 7; Khanh Hoa Branch: 1; Thang Loi Factory : 2, VINA G7:7; Granida: 5; Phu Tai - Dong Nai : 12; Thanh Chau: 1, Quartz : 2); Traffic accidents: 2 cases (Nhon Hoa: 2).
- Settling sickness, maternity, convalescence benefits, occupational accidents and death with the total amount of VND3,138,100,000.
- Settling severance regime for 749 persons (including parent company: 377 persons, subsidiary companies: 372 persons), with total allowance amount: VND73,222,100.
- Ensuring labor protective equipment provided, first aid medicine with the total amount: VND2,677,603,000 (in which: protective equipment amounting VND2,633,780,000; first aid medicine amounting VND43,823,000).
- Total payment amount of social insurance, health insurance, unemployment insurance: VND61,378,978,000.

Collective kitchen

- Food safety and hygiene (Input materials, preliminary processing, processing, storing food samples), etc. were under strict control of the units. Therefore, there have not yet been any cases of food poisoning.
- Rates of meal were guaranteed, dishes were regularly updated.
- Sanitation of the kitchen, the canteen, and food containers was guaranteed.
- Dining culture in the kitchen has been improved step by step.
- The implementation of labor protection in 2020 included the followings: periodic health check-ups, occupational diseases, working environment testing, verifying and re-verifying machinery and equipment with serious requirements on labor safety, protective equipment, firefighting and explosion prevention equipment ... Currently there were 415 equipment in total with strict requirements on occupational safety in the entire company (Boiler: 6, Air compressor 125, fork-lift 105, tower crane 174, blasting machine 3, elevator 2), 100% of the equipment had been tested; 380 persons got their occupational health examined , environmental observation was organized on 424 samples, with all 424 samples met the requirements).
- Procurement of all qualified personal protective equipment lists to equip the employees, and time norms were issued for various types of personal protective equipment to manage and allocate. Various management measures were taken (group leaders or higher reminded) and administrative measures also taken too (supervised when entering the gate to work) forcing workers to wear and use enough personal protective equipment when going to work to ensure occupational health and safety and avoid accidents.



Labor safety related activities

- **Education and propaganda:** Labor regulation, Collective Labor Agreement, relevant rules and regulations were propagated. Safe operating procedure boards and occupational accident warning visuals were displayed at the machines in use so that workers should pay attention to avoid accidents.
- **Labor protective equipment:** Periodically reporting on the labor protection every 6 months and every year to the Department of Labor, War Invalids and Social Affairs. Periodic organizing health check-up, annual occupational disease. Measuring, testing working environment, verifying and re-verifying machinery and equipment with serious requirements on labor safety, protective equipment, firefighting and explosion prevention equipment ... The employees were fully provided with personal protective equipment. Time to use norms were issued for each type of personal protective equipment to manage and allocate. Taking measures to encourage the workers to voluntarily wear, use enough personal protective equipment during their working time to minimize possible accidents.
- **Labor safety and sanitation - fire and explosion prevention:** Fully complying with the process and standards of occupational safety and sanitation in production. Organizing the measurement and testing of the working environment, the verification and re-verification of the machines with strict requirements on labor safety; arranging the materials, products and maintaining a continuous cleaning system during and after production hours to ensure a well-ventilated and safe working environment. Assigning officers in charge of occupational safety to supervise the implementation of the occupational safety and sanitation in the workshops and factories. Attending training classes to ensure the employees' professional propaganda qualifications.

Training activities for the employees

- Training objectives: adding new knowledge, improving professional qualifications, meeting job requirements.
- Encouraging all the employees throughout the company to actively participate in the "Technical Innovation Initiative", contributing to improving production and business efficiency. In 2020, the Company gave a certificate of merit to Mr. Le Hoang Cuong - Head of Technical Department - Thang Loi Factory accompanied with in kind award amounting VND 6,000,000, for having an Initiative to improve "Machine inspecting the quality of use, wooden products" in the year 2020's production and business.



REPORT OF FINANCE

| | | |
|----|--|----|
| 01 | CONSOLIDATED BALANCE SHEET | 93 |
| 02 | CONSOLIDATED INCOME STATEMENT | 96 |
| 03 | CONSOLIDATED CASHFLOW STATEMENT | 97 |
| 04 | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | 99 |



Phu Tai Joint Stock Company

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

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Phu Tai Joint Stock Company ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 2020.

THE COMPANY

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

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

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

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

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

| | |
|---------------------|---------------|
| Mr. Le Vy | Chairman |
| Mr. Le Van Thao | Vice Chairman |
| Mr. Tran Thanh Cung | Member |
| Mr. Phan Quoc Hoai | Member |
| Mr. Nguyen Sy Hoe | Member |
| Mr. Le Van Loc | Member |
| Mr. Do Xuan Lap | Member |
| Mr. Tran Huu Duc | Member |

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

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

The members of the Board of Supervision are:

| | |
|-----------------------|--------|
| Mr. Bui Thuc Hung | Head |
| Mr. Truong Cong Hoang | Member |
| Mrs. Dang Thi Tu Oanh | Member |
| Mr. Phan Minh Duong | Member |

AUDITORS

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

Phu Tai Joint Stock Company

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

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

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

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

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

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 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 Consolidated Financial Statements.

Other commitments

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

Binh Dinh, 26 March 2021

On behalf of the Board of General Directors

General Director

K.T. TỔNG GIÁM ĐỐC
PHÓ TỔNG GIÁM ĐỐC
CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
CƠ QUAN QUẢN LÝ
PHÚ TÀI
TỈNH BÌNH ĐỊNH
PHAN QUỐC HOÀI



No: 260321.008/BCTC.KT5

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Consolidated Financial Statements of Phu Tai Joint Stock Company prepared on 26 March 2021, as set out on pages 06 to 60, including: Consolidated Statement of Financial position as at 31 December 2020, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to Consolidated 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 Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporation Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Consolidated Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Phu Tai Joint Stock Company as at 31 December 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 Consolidated Financial Statements.

Emphasis of matter

As presented in Note 8 of the Notes to the consolidated financial statements, up to the time of these consolidated financial statements, the Independent Inspector has collected and evaluated information, but has not announced compensation estimation for the Company's loss related to the fire incident at the finished product warehouse of Thang Loi Enterprise. Therefore, as at 31/12/2020, 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 compensation will be recognized by the Company in the consolidated 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.

Our opinion is not modified in respect of this matter.

AASC Auditing Firm Company Limited



Phạm Anh Tuấn

Deputy General Director

Registered Auditor No: 0777-2018-002-1

Hanoi, 26 March 2021

Hoang Thuy Nga

Auditor

Registered Auditor No: 0762-2018-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

| Code ASSETS | Note | 31/12/2020 VND | 01/01/2020 VND |
|--|-----------|--------------------------|--------------------------|
| 100 A. CURRENT ASSETS | | 2,738,225,731,635 | 2,440,614,443,129 |
| 110 I. Cash and cash equivalents | 3 | 167,783,353,561 | 126,518,814,646 |
| 111 1. Cash | | 167,783,353,561 | 126,518,814,646 |
| 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 | | 824,191,590,657 | 739,104,591,208 |
| 131 1. Short-term trade receivables | 5 | 634,932,182,611 | 690,232,957,345 |
| 132 2. Short-term prepayments to suppliers | 6 | 116,473,342,562 | 40,765,431,102 |
| 136 3. Other short-term receivables | 7 | 18,209,914,530 | 20,175,936,095 |
| 137 4. Provision for short-term doubtful debts | | (11,616,180,648) | (12,069,733,334) |
| 139 5. Shortage of assets awaiting resolution | 8 | 66,192,331,602 | - |
| 140 IV. Inventories | 10 | 1,440,420,340,899 | 1,321,758,658,038 |
| 141 1. Inventories | | 1,440,420,340,899 | 1,321,758,658,038 |
| 150 V. Other short-term assets | | 193,227,408,184 | 202,782,379,237 |
| 151 1. Short-term prepaid expenses | 11 | 27,988,170,926 | 35,089,817,187 |
| 152 2. Deductible VAT | | 165,066,144,954 | 167,620,868,250 |
| 153 3. Taxes and other receivables from State budget | 18 | 173,092,304 | 71,693,800 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Continued)

| Code ASSETS | Note | 31/12/2020 VND | 01/01/2020 VND |
|--|----------|--------------------------|--------------------------|
| 200 B. NON-CURRENT ASSETS | | 2,035,531,626,497 | 1,888,079,925,968 |
| 210 I. Long-term receivables | | 19,497,670,160 | 18,976,312,322 |
| 216 1. Other long-term receivables | 7 | 19,497,670,160 | 18,976,312,322 |
| 220 II. Fixed assets | | 1,462,753,741,867 | 1,479,731,335,890 |
| 221 1. Tangible fixed assets | 14 | 1,435,838,868,254 | 1,449,957,969,640 |
| 222 - Historical cost | | 2,583,621,977,758 | 2,452,786,879,379 |
| 223 - Accumulated depreciation | | (1,147,783,109,504) | (1,002,828,909,739) |
| 227 2. Intangible fixed assets | 15 | 26,914,873,613 | 29,773,366,250 |
| 228 - Historical cost | | 49,104,846,868 | 49,104,846,868 |
| 229 - Accumulated depreciation | | (22,189,973,255) | (19,331,480,618) |
| 240 III. Long-term assets in progress | | 249,575,643,744 | 158,109,175,503 |
| 242 1. Construction in progress | 16 | 249,575,643,744 | 158,109,175,503 |
| 250 IV. Long-term financial investments | 4 | 10,400,000,000 | 4,800,000,000 |
| 253 1. Investments in equity of other entities | | 10,400,000,000 | 4,800,000,000 |
| 260 V. Other long-term assets | | 293,304,570,726 | 226,463,102,253 |
| 261 1. Long-term prepaid expenses | 11 | 267,718,749,349 | 200,818,462,078 |
| 262 2. Deferred income tax assets | 37 | 4,040,912,268 | 900,087,827 |
| 269 3. Goodwill | 12 | 21,544,909,109 | 24,744,552,348 |
| 270 TOTAL ASSETS | | 4,773,757,358,132 | 4,328,694,369,097 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Continued)

| Code | CAPITAL | Note | 31/12/2020 VND | 01/01/2020 VND |
|------|---|------|--------------------------|--------------------------|
| 300 | C. LIABILITIES | | 2,783,132,013,476 | 2,483,177,333,340 |
| 310 | I. Current liabilities | | 2,462,277,650,960 | 2,252,696,590,423 |
| 311 | 1. Short-term trade payables | 17 | 528,592,885,619 | 444,108,623,443 |
| 312 | 2. Short-term prepayments from customers | 13 | 270,983,735,608 | 28,408,044,984 |
| 313 | 3. Taxes and other payables to State budget | 18 | 91,100,691,329 | 87,055,534,055 |
| 314 | 4. Payables to employees | | 89,697,502,187 | 52,489,253,713 |
| 315 | 5. Short-term accrued expenses | 19 | 9,639,978,866 | 15,114,131,685 |
| 318 | 6. Short-term unearned revenue | 20 | 191,475,000 | 207,000,000 |
| 319 | 7. Other short-term payables | 21 | 32,010,210,468 | 17,160,897,244 |
| 320 | 8. Short-term borrowings and finance lease liabilities | 22 | 1,397,405,569,666 | 1,568,696,574,136 |
| 321 | 9. Provisions for short-term payables | 23 | 4,405,733,967 | 4,405,733,967 |
| 322 | 10. Bonus and welfare fund | | 38,249,868,250 | 35,050,797,196 |
| 330 | II. Non- current liabilities | | 320,854,362,516 | 230,480,742,917 |
| 337 | 1. Other long-term payables | 21 | 3,057,284,928 | 4,238,083,329 |
| 338 | 2. Long-term borrowings and finance lease liabilities | 22 | 307,494,441,422 | 221,222,425,468 |
| 341 | 3. Deferred income tax liabilities | 37 | 1,379,919,620 | 387,294,247 |
| 342 | 4. Provisions for long-term payables | 23 | 8,922,716,546 | 4,632,939,873 |
| 400 | D. OWNER'S EQUITY | | 1,990,625,344,656 | 1,845,517,035,757 |
| 410 | I. Owner's equity | 24 | 1,990,625,344,656 | 1,845,517,035,757 |
| 411 | 1. Owner's equity | | 485,994,410,000 | 485,994,410,000 |
| 411a | Ordinary shares with voting rights | | 485,994,410,000 | 485,994,410,000 |
| 412 | 2. Share Premium | | 162,128,986,832 | 162,128,986,832 |
| 414 | 3. Other capital | | 1,031,505,624,847 | 767,393,543,292 |
| 415 | 4. Treasury shares | | (138,564,459,864) | (82,808,934,273) |
| 418 | 5. Development and investment funds | | 1,755,382,169 | 6,068,006,808 |
| 421 | 6. Retained earnings | | 380,059,053,115 | 445,727,592,563 |
| 421a | Retained earnings accumulated till the end of the previous year | | 21,515,908,434 | 10,351,840,856 |
| 421b | Retained earnings of the current year | | 358,543,144,681 | 435,375,751,707 |
| 429 | 7. Non - Controlling Interest | | 67,746,347,557 | 61,013,430,535 |
| 440 | TOTAL CAPITAL | | 4,773,757,358,132 | 4,328,694,369,097 |

Preparer

Chief Accountant

Binh Dinh, 26 March 2021
General Director

Vo Phuong Thao

Nguyen Thi My Loan

PHU TAI
TỈNH BÌNH ĐỊNH
PHAN QUỐC HOÀI

CONSOLIDATED 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 | 26 | 5,602,248,622,302 | 5,549,170,322,998 |
| 02 | 2. Revenue deductions | 27 | 1,011,852,605 | 32,967,894 |
| 10 | 3. Net revenues from sales of goods and rendering of services | 28 | 5,601,236,769,697 | 5,549,137,355,104 |
| 11 | 4. Cost of goods sold | 29 | 4,460,347,423,722 | 4,458,429,874,592 |
| 20 | 5. Gross profit from sales of goods and rendering of services | | 1,140,889,345,975 | 1,090,707,480,512 |
| 21 | 6. Financial income | 30 | 23,788,280,335 | 16,310,654,727 |
| 22 | 7. Financial expense | 31 | 106,384,856,872 | 96,546,972,037 |
| 23 | In which : Interest expense | | 89,239,816,660 | 92,311,437,775 |
| 25 | 8. Selling expense | 32 | 422,107,833,423 | 283,120,076,095 |
| 26 | 9. General and administrative expense | 33 | 196,699,532,812 | 185,443,262,020 |
| 30 | 10. Net profit from operating activities | | 439,485,403,203 | 541,907,825,087 |
| 31 | 11. Other income | 34 | 28,957,758,454 | 11,990,814,263 |
| 32 | 12. Other expense | 35 | 6,135,203,996 | 3,863,178,858 |
| 40 | 13. Other profit | | 22,822,554,458 | 8,127,635,405 |
| 50 | 14. Total net profit before tax | | 462,307,957,661 | 550,035,460,492 |
| 51 | 15. Current corporate income tax expense | 36 | 82,688,054,491 | 92,969,984,325 |
| 52 | 16. Deferred corporate income tax expense | 37 | 314,454,090 | 262,506,647 |
| 60 | 17. Profit after corporate income tax | | 379,305,449,080 | 456,802,969,520 |
| 61 | 18. Profit after corporate income tax of holding company | | 358,501,244,681 | 435,375,751,707 |
| 62 | 19. Profit after corporate income tax of the non-controlling shareholders | | 20,804,204,399 | 21,427,217,813 |
| 70 | 20. Basic earnings per share | 38 | 7,709 | 9,132 |

Preparer

Chief Accountant

Binh Dinh, 26 March 2021
General Director

Vo Phuong Thao

Nguyen Thi My Loan

PHU TAI
TỈNH BÌNH ĐỊNH
PHAN QUỐC HOÀI

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2020
(Indirect method)

| Code | ITEMS | Note | Year 2020 VND | Year 2019 VND |
|---|--|------|-------------------|-------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 01 | 1. Profit before tax | | 462,307,957,661 | 550,035,460,492 |
| | 2. Adjustment for: | | 287,475,336,350 | 267,898,818,910 |
| 02 | - Depreciation of fixed assets and amortization investment properties | | 220,745,107,634 | 190,925,459,553 |
| 03 | - Provisions | | 3,836,223,987 | (1,100,064,851) |
| 04 | - Exchange gains / losses from retranslation of monetary items denominated in foreign currencies | | (3,021,644,480) | (1,154,754,778) |
| 05 | - Gains / losses from investment | | (23,324,167,451) | (13,083,258,789) |
| 06 | - Interest expense | | 89,239,816,660 | 92,311,437,775 |
| 08 | 3. Operating profit before changes in working capital | | 749,783,294,011 | 817,934,279,402 |
| 09 | - Increase or decrease in receivables | | (2,221,528,522) | (121,073,241,743) |
| 10 | - Increase or decrease in inventories | | (118,661,682,861) | (299,194,029,828) |
| 11 | - Increase or decrease in payables (excluding interest payable, corporate income tax payable) | | 357,212,172,749 | 103,199,160,926 |
| 12 | - Increase or decrease in prepaid expenses | | 46,906,118,239 | (103,128,063,898) |
| 13 | - Increase or decrease held- to- maturiry | | (12,153,038,334) | - |
| 14 | - Interest paid | | (89,656,963,889) | (91,975,750,855) |
| 15 | - Corporate income tax paid | | (77,791,635,217) | (59,080,607,908) |
| 16 | - Other receipts from operating activities | | - | 665,950,623 |
| 17 | - Other payments on operating activities | | (23,689,043,434) | (24,056,273,687) |
| 20 | Net cash flow from operating activities | | 829,727,692,742 | 223,291,423,032 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 21 | 1. Purchase or construction of fixed assets and other long-term assets | | (479,978,606,735) | (612,788,961,065) |
| 22 | 2. Proceeds from disposals of fixed assets and other long-term assets | | 33,478,706,695 | 19,350,403,092 |
| 23 | 3. Loans and purchase of debt instruments from other entities | | (50,000,000,000) | (951,862,141) |
| 24 | 4. Collection of loans and resale of debt instrument of other entities | | - | 125,847,151,307 |
| 25 | 5. Equity investments in other entities | | (5,600,000,000) | (41,624,851,856) |
| 27 | 6. Interest and dividend received | | 4,527,349,856 | 9,346,413,926 |
| 30 | Net cash flow from investing activities | | (497,572,550,184) | (500,821,706,737) |

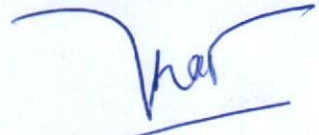
CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2020
(Indirect method)
(Continued)

| Code | ITEMS | Note | Year 2020 VND | Year 2019 VND |
|--|--|------|---------------------|---------------------|
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 32 | 1. Repayment of capital contributions and repurchase of stock issued | | (55,755,525,591) | (82,808,934,273) |
| 33 | 2. Proceeds from borrowings | | 3,906,067,730,529 | 4,559,949,317,408 |
| 34 | 3. Repayment of principal | | (3,990,643,123,670) | (3,975,185,340,930) |
| 36 | 4. Dividends or profits paid to owners | | (150,635,987,374) | (165,014,889,400) |
| 40 | Net cash flow from financing activities | | (290,966,906,106) | 336,940,152,805 |
| 50 | Net cash flows in the year | | 41,188,236,452 | 59,409,869,100 |
| 60 | Cash and cash equivalents at the beginning of the year | | 126,518,814,646 | 67,039,272,068 |
| 61 | Effect of exchange rate fluctuations | | 76,302,463 | 69,673,478 |
| 70 | Cash and cash equivalents at the end of the year | 3 | 167,783,353,561 | 126,518,814,646 |

Binh Dinh, 26 March 2021
General Director

Preparer


Vo Phuong Thao

Chief Accountant


Nguyen Thi My Loan


KT. TỔNG GIÁM ĐỐC
PHỤ TÀI
TỈNH BÌNH ĐỊNH
PHAN QUỐC HOÀI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year 2020

1. GENERAL INFORMATION OF THE COMPANY

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

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

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

The total number of employees of the Company as at 31 December 2020: 7,408 employees (31 December 2019 6,317 employees)

Business field: Industrial manufacturing, trading and services.

Business activities

Main business activities of the Company include:

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

Group structure:

The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2020 include:

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

| Name of Company | Head office | Proportion of ownership | Proportion of voting rights | Principal activities |
|---|---|-------------------------|-----------------------------|--|
| - Granite Manufacturing Company Limited | Ho Chi Minh city | 70% | 70% | Manufacturing and trading stone products |
| - Phu Tai Real Estate Company Limited | Quy Nhon - Binh Dinh | 100% | 100% | Trading real estate |
| - Thanh Chau Phu Yen Granite Company Limited | Dong Xuan - Phu Yen | 100% | 100% | Exploiting and processing stone |
| - Son Phat Production and Trading Company Limited ⁽ⁱ⁾ | Van Ninh - Khanh Hoa | 99% | 99% | Exploiting and processing stone |
| - Phu Tai Ninh Thuan Stone Joint Stock Company ⁽ⁱ⁾ | Phan Rang City - Thap Cham - Ninh Thuan | 98% | 98% | Manufacturing and processing stone |
| - Phu Tai Quartz Stone One Member Company Limited ⁽ⁱⁱ⁾ | Nhon Trach - Dong Nai | 100% | 100% | Manufacturing and processing stone |
| - Phu Tai Binh Dinh Wood Company Limited | Phu Cat - Binh Dinh | 100% | 100% | Manufacturing beds, wardrobes, tables and chairs |

The Company's operation in the year that affects the Consolidated Financial Statements

As for the production and trading of stone products: Although the exploitation and consumption of stone products of the parent company and its subsidiaries was interrupted due to the implementation of the social separation to prevent and fight against Covid-19 epidemic, however, during the year the company focused on the production and consumption of lower value inventory stones, and at the same time applied measures to reduce selling prices to boost consumption so revenue from trading stone products during the year slightly decreased but the gross profit of this activity decreased significantly compared to the previous year.

As for the production and trading of wood products: production and consumption were also disrupted due to social disruption, but the government's good disease control helped production activities quickly recover, Exports of the parent company and subsidiaries have surged, 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 packaging costs.

For the sale of Toyota cars and car repair services: these business activities have been greatly affected by the Covid-19 epidemic especially during the implementation of the social exclusion order in the metropolitan area. Da Nang, the epidemic has also affected customers' demand for new cars, in addition to increasing competition among car manufacturers. These reasons have led to a sharp decrease in revenue and operating results of this business activity in the year compared to the previous year.

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 8).

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 34).

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1. Accounting period and accounting currency

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

2.2. Standards and Applicable Accounting Policies

Applicable Accounting Policies

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3. Basis for preparation of Consolidated Financial Statements

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

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

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

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

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

2.4. Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5. Foreign currency transactions

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

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

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

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

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

2.6. Cash

Cash comprises cash on hand and demand deposits.

2.7. Business combination and goodwill

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

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

of goodwill is higher than the goodwill allocated, the Group shall recognise the impaired loss immediately in year that incurred.

2.8. Financial investments

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

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

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

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

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

2.9. Receivables

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

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

2.10. Inventories

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

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

- The value of work in progress is recorded based on actual cost incurred for each unfinished product.
 - The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.
- Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.11. Fixed assets

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

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

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

2.12. Construction in progress

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

2.13. Operating lease

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

2.14. Prepaid expenses

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

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

2.15. Payables

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

2.16. Borrowings

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

2.17. Borrowing costs

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

2.18. Accrued expenses

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

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

2.19. Provision for payables

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

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

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

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

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

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

2.20. Unearned revenues

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

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

2.21. Owner's equity

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

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

Other capital is the operating capital formed from the operating results or from gifts, presents, financing and asset revaluation.

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

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

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

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

2.22. Revenues

Sales of goods

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

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

Rendering of services

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

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

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

Financial income

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

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

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

2.23. Revenue deductions

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

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

2.24. Cost of goods sold

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

2.25. Financial expenses

Items recorded into financial expenses consist of:

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

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

2.26. Corporate income tax

a) Deferred income tax asset and Deferred income tax liability

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

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

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

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

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

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

c) Tax incentives

According to the Investment Certificates No. 47221001231 dated 05 May 2015 of Department of Planning and Investment of Dong Nai Province, No. 0421432406 dated 25 April 2016 of Department of Planning and Investment of Binh Dinh province and No. 4766305247 dated 29 August 2016 of Department of Planning and Investment of Hung Yen province, the Company is exempt from corporate income tax in 2 years since there is taxable income and is subject to 50% reduction of tax payable in the next 4 years for the taxable income of Granite Processing Plant in Dong Nai province, Binh Dinh province and Hung Yen province. 2016 was the first year when Granite Processing Plant in Dong Nai province is exempt from corporate income tax. 2017 was the first year when Granite Processing Plant in Binh Dinh province and Hung Yen province are exempt from corporate income tax; and 2018 was the first year when Wood Processing Factory is exempt from corporate income tax.

d) Current corporate income tax rate

For the fiscal year ended on 31 December 2020, the Company is entitled to the following CIT rates:

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

2.27. Earnings per share

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

2.28. Related Parties

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

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

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

2.29. Segment information

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

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

Phu Tai Joint Stock Company
No.278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

3. CASH

| | 31/12/2020 | 01/01/2020 |
|-----------------|------------------------|------------------------|
| | VND | VND |
| Cash on hand | 9,722,510,849 | 8,613,179,523 |
| Demand deposits | 158,060,842,712 | 117,905,635,123 |
| | 167,783,353,561 | 126,518,814,646 |

4. SHORT TERM FINANCIAL INVESTMENTS

a) Held-to-maturity investments

| | 31/12/2020 | | 01/01/2020 | |
|----------------------------------|------------------------|-----------|-----------------------|-----------|
| | Original cost | Provision | Original cost | Provision |
| | VND | VND | VND | VND |
| Short-term investments | | | | |
| - Term-deposits ^(4.1) | 100,000,000,000 | - | 50,000,000,000 | - |
| | 100,000,000,000 | - | 50,000,000,000 | - |

^(4.1) As at 31 December 2020, the Company has 6-month term deposits with the total amount VND 100,000,000,000 at Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch at the interest rate of 8% per year.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

b) Trading securities

| | Stock symbol | 31/12/2020 | | | | 01/01/2020 | | | |
|--|--------------|-----------------------|-----------------------|-----------|--------------------|------------|-----------|---------------|-----------|
| | | Original cost | Fair value | Provision | Original cost | Fair value | Provision | Original cost | Provision |
| | | VND | VND | VND | VND | VND | VND | VND | VND |
| Investment in stock | | | | | | | | | |
| - 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 ^(4.2) | | 450,000,000 | - | - | 450,000,000 | - | - | - | - |
| | | 12,603,038,334 | 12,710,700,000 | - | 450,000,000 | - | - | - | - |

Fair value of trading securities is determined at closing price at the financial statement date on HOSE at 31 December 2020.

^(4.2) 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.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

c) Equity investments in other entities

| | 31/12/2020 | | 01/01/2020 | |
|--|-----------------------|------------------|----------------------|------------------|
| | Original cost VND | Provision VND | Original cost VND | Provision VND |
| - Chanh Phu Hoa Construction Investment Joint Stock Company | 9,800,000,000 | - | 4,200,000,000 | - |
| - Lao Cai Chemical Industry Joint Stock Company ^(4.3) | 600,000,000 | - | 600,000,000 | - |
| | 10,400,000,000 | - | 4,800,000,000 | - |

^(4.3) This is an investment of Phu Tai Ninh Thuan Stone Joint Stock Company (a subsidiary) in Lao Cai Chemical Industry Investment Joint Stock Company.

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

Investments in equity of other entities

| Name of companies | Place of establishment and operation | Rate of interest | Rate of voting | Principal activities |
|---|---------------------------------------|------------------|----------------|--------------------------------------|
| Chanh Phu Hoa Construction Investment | Thu Dau Mot City, Binh Duong Province | 1.98% | 0.85% | Constructing and trading real estate |
| Lao Cai Chemical Industry Joint Stock Company | Lao Cai City, Lao Cai Province | 4.00% | 4.00% | Mining of non-ferrous metal ores |

5. SHORT-TERM TRADE RECEIVABLES

| | 31/12/2020 | | 01/01/2020 | |
|--|------------------------|-------------------------|------------------------|-------------------------|
| | Value VND | Provision VND | Value VND | Provision VND |
| - Masterbrand Cabinets INC | 121,751,506,615 | - | 31,809,765,046 | - |
| - Noble House Home Furnishings LLC | 35,777,813,030 | - | 576,551,053 | - |
| - Yaraghi LLC | 27,286,101,093 | - | 28,746,048,543 | - |
| - Autonomous Inc | 27,328,159,634 | - | 7,602,904,129 | - |
| - Carrefour Imports SAS | 25,181,254,643 | - | 34,121,173,400 | - |
| - Hung Thinh Company Limited | 23,000,000,000 | - | - | - |
| - Ashley | 20,196,440,043 | - | 16,270,566,150 | - |
| - Melissa & Doug LLC | 17,332,101,509 | - | 19,879,488,227 | - |
| - Forest Products Distributors | 15,520,437,531 | - | - | - |
| - Anavil Company LTD | 13,686,808,047 | - | 30,612,478,469 | - |
| - Castorama France SAS | 5,941,773,008 | - | 32,368,060,586 | - |
| - B and Q PLC | 6,558,005,987 | - | 14,713,829,868 | - |
| - The Anh Transportation Service Trading Company Limited | 6,983,849,216 | - | 13,900,921,383 | - |
| - Advance Furniture (VIC) PTY | 8,644,641,761 | - | 2,965,752,449 | - |
| - Anh Kim Company Limited | 3,637,727,473 | - | 9,795,477,973 | - |
| - Innocent Inc | 1,343,045,970 | - | 10,168,627,171 | - |
| - Others | 274,762,517,051 | (10,247,919,508) | 436,701,312,898 | (10,215,045,611) |
| | 634,932,182,611 | (10,247,919,508) | 690,232,957,345 | (10,215,045,611) |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

| | 31/12/2020 | | 01/01/2020 | |
|--|------------------------|------------------------|-----------------------|------------------------|
| | Value | Provision | Value | Provision |
| | VND | VND | VND | VND |
| - Kim Hung Thinh Consultant Design Building Construction Company Limited | 54,108,967,399 | - | | |
| - Do Thanh Aluminium Joint Stock Company | 2,943,299,534 | - | - | - |
| - An Cuong Wood - Working Manufacturing Company Limited | 6,763,741,749 | - | - | - |
| - Schindler Vietnam Company Limited | 2,400,000,000 | - | - | - |
| - Muradir | 2,772,467,552 | - | 1,029,010,769 | - |
| - Jaf Globle | 1,594,770,352 | - | 1,175,078,571 | - |
| - Others | 45,890,095,976 | (1,150,161,140) | 38,561,341,762 | (1,636,587,723) |
| | 116,473,342,562 | (1,150,161,140) | 40,765,431,102 | (1,636,587,723) |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

7. OTHER RECEIVABLES

| | 31/12/2020 | | 01/01/2020 | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Value | Provision | Value | Provision |
| | VND | VND | VND | VND |
| a) Short-term | | | | |
| Collateral, deposits | 339,581,620 | - | 2,194,181,116 | - |
| Advances to employees | 7,496,576,935 | - | 15,472,931,735 | - |
| Other receivables | 10,373,755,975 | (218,100,000) | 2,508,823,244 | (218,100,000) |
| - Deposit interest receivable | 1,238,118,282 | - | 350,684,932 | - |
| - Receivables from sale of securities ^(7.1) | 7,219,604,000 | - | - | - |
| - Receivables from social insurance, health | 991,117,673 | - | 905,958,555 | - |
| - Receivable on dividends | - | - | 210,000,000 | - |
| - Purchase of property Advance receivable | 218,100,000 | (218,100,000) | 218,100,000 | (218,100,000) |
| - Others | 706,816,020 | - | 824,079,757 | - |
| | 18,209,914,530 | (218,100,000) | 20,175,936,095 | (218,100,000) |
| b) Long-term | | | | |
| Receivables from employees | 490,669,695 | - | 1,213,150,000 | - |
| Collateral, deposits | 16,096,373,676 | - | 14,607,126,733 | - |
| - Environmental restoration deposits ^(7.2) | 15,131,394,176 | - | 13,642,147,233 | - |
| - Contract deposits | 964,979,500 | - | 964,979,500 | - |
| Other receivables | 2,910,626,789 | - | 3,156,035,589 | - |
| - Receivables from site clearance which are offset against land rental at Thang Loi Enterprise ^(7.3) | 2,910,626,789 | - | 3,156,035,589 | - |
| | 19,497,670,160 | - | 18,976,312,322 | - |

^(7.1) This is the amount from the sale of shares of Agribank Securities Joint Stock Company (AGR) as at 31/12/2020.

^(7.2) These are deposits for environmental rehabilitation and restoration for mineral extraction that the Company has paid into the environmental protection fund. This amount will be refunded after the Company completes partly or all of the environmental rehabilitation and restoration contents according to the approved plan and confirmation of completion by the competent authority.

^(7.3) During the year, the Company has offset the payable land rent according to notice about the 2020 land rental with cash clearance compensation.

8. SHORTAGE OF ASSETS AWAITING RESOLUTION

As at 31/12/2020, 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 results report of the Investigation Police Agency on 21 September 2020, the cause of the fire was determined to be due to electrical problems at branching locations on the roof-down pillar power line, pillars T2, T4, T7; excluding the possibility of burning from outside, no criminal detection.
- Before the fire event happened, the Company signed a contract of risk insurance for all assets, including compulsory fire insurance, number 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 incident occurred, the Insurance Company cooperated with the Company to unify to appoint 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 September 13, 2020 of the VRS VietAdjusters surveyor, 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, the garage, the fence wall, the warehouse for oil, ... are negligible;
 - + Machinery and equipment: forklift, pallet system (in finished product warehouse) completely damaged;
 - + Materials: mattresses, assembly instructions, hanging tags, color pictures, copper mark, barcode, 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 as one customer, Pacific Trends Far.
- Based on the results of site inspection, the Company has made an estimate of the value of losses caused by fire is VND 66,192,331,602 in 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 in 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.

9. 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 |
| 13 Licogi JSC | 1,361,966,771 | - | 2,861,966,771 | 1,204,833,406 |
| Tan Cuong Co., Ltd | 1,175,007,342 | 235,001,595 | 1,175,007,342 | 235,001,595 |
| Global Home Sro | - | - | 1,071,012,417 | 1,071,012,417 |
| Cattie Europa S.L | 724,304,767 | - | 839,879,767 | - |
| Ha Binh Co., Ltd | 668,552,930 | - | 668,552,930 | - |
| Chinh Truong Stone Quarry Co., Ltd | - | - | 586,717,023 | - |
| Binh Dinh Granite Co., Ltd | 507,016,559 | - | 507,016,559 | - |
| SAVI Furniture JSC | - | - | 242,998,562 | 242,998,562 |
| Dong Gia Viet Service Trade Manufacturing Co., Ltd | - | - | 108,089,204 | 108,089,204 |
| Vuong Minh Production and Trading Company Limited | 1,465,605,000 | - | 1,485,605,000 | 1,039,923,500 |
| Trung Nam Construction Invesment JSC | - | - | 548,933,015 | - |
| Others | 6,929,175,995 | 980,447,121 | 6,494,638,943 | 618,825,515 |
| | 12,831,629,364 | 1,215,448,716 | 16,590,417,533 | 4,520,684,199 |

10. 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 | 402,646,869,006 | - | 415,513,085,578 | - |
| Tools, supplies | 686,425,881 | - | 1,026,746,037 | - |
| Work in process | 776,733,706,725 | - | 533,018,530,609 | - |
| - Stone products | 156,586,845,981 | - | 212,692,182,464 | - |
| - Wood products | 121,307,497,258 | - | 178,290,491,093 | - |
| - Real estate ⁽ⁱ⁾ | 498,391,343,870 | - | 141,226,630,442 | - |
| - Repair services | 448,019,616 | - | 809,226,610 | - |
| Finished goods | 204,379,204,302 | - | 128,338,881,358 | - |
| Goods | 54,879,515,276 | - | 242,819,820,137 | - |
| Consignments | 1,094,619,709 | - | - | - |
| | 1,440,420,340,899 | - | 1,321,758,658,038 | - |

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

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

Phu Tai Joint Stock Company **Consolidated Financial Statements**
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

(excluding basements, technical floors and roofs): 33 floors;

- Total investment of the project: VND 876,435,576,752;
- Investment capital sources: Investment capital from the parent company and mobilized capital;
- Project implementation period: Expected from Quarter II of 2019 to Quarter I of 2022;
- As at 31 December 2020, the project has completed the raw construction, the completion and installation of equipment have been in progress.

11. PREPAID EXPENSES

| | 31/12/2020 | 01/01/2020 |
|--|------------------------|------------------------|
| | VND | VND |
| a) Short-term | | |
| - Mining expenses | 2,322,697,674 | 6,602,081,194 |
| - Tools and supplies awaiting for allocation | 11,560,561,853 | 17,434,132,778 |
| - Expenditure on fixing machinery, equipment, factories | 6,936,688,646 | 3,994,644,040 |
| - Insurance expenses | 3,808,682,008 | 4,811,461,005 |
| - Other short-term prepaid expenses | 3,359,540,745 | 2,247,498,170 |
| | 27,988,170,926 | 35,089,817,187 |
| b) Long-term | | |
| - Land and infrastructure rental expenses of Granite Processing Plant in Hung Yen Province ^(11.1) | - | 30,203,301,329 |
| - Land and infrastructure rental expenses of Phu Cat Wood Processing Plant in Binh Dinh Province ^(11.2) | 15,630,858,137 | 16,064,013,317 |
| - Land and infrastructure rental expenses of Granite Processing Plant in Binh Dinh Province ^(11.3) | 12,014,779,366 | 12,343,301,201 |
| - Expenses for the right to use leased land in Dien Tan, Dien Khanh, Khanh Hoa province ^(11.4) | 10,543,838,384 | 10,958,585,859 |
| - Land rental expenses and maintenance of Phu Cat Industrial Park ^(11.5) | 11,542,229,734 | 9,919,007,556 |
| - Infrastructure rental expenses of Long My Factory, Binh Dinh Province ^(11.6) | 12,557,400,616 | 8,333,333,762 |
| - The land transfer fee of Son Phat Factory awaiting allocation ^(11.7) | 37,394,902,248 | 37,962,178,248 |
| - Land rental in Dak Nong factory | 1,017,140,625 | 1,287,828,125 |
| - Money for transferring land from Da Loc, Thanh Chau, Phu Yen province ^(11.8) | 13,174,891,962 | - |
| - Land rental and infrastructure costs Nhon Trach Textile Industrial Park, Dong Nai province ^(11.9) | 89,696,966,245 | - |
| - Expenses for operating the artificial quartz stone factory in Nhon Trach, Dong Nai ^(11.10) | 7,376,047,532 | - |
| - Land and infrastructure rental expenses of Tuan Dat factory | 3,874,650,731 | 3,352,612,021 |
| - Mining expenses | 11,872,853,306 | 23,680,722,519 |
| - Tools and supplies awaiting for allocation | 23,282,306,882 | 21,303,583,992 |
| - Expenditure on overhaul of machinery, equipment, factories | 13,286,690,758 | 16,001,967,075 |
| - Other long-term prepaid expenses | 4,453,192,823 | 9,408,027,074 |
| | 267,718,749,349 | 200,818,462,078 |

^(11.1) This is the rental of land use right accompanying with infrastructure in Pho Noi A Industrial Zone, Yen My District, Hung Yen Province with the total area of 21,062 m², until 15 January 2054 for the construction of Granite Processing Plant in Hung Yen Province. During the year, the Company had a decision to close the operation of

Phu Tai Joint Stock Company **Consolidated Financial Statements**
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Hung Yen paving stone processing factory. The Company transferred the land use rights associated with the factory's infrastructure and workshop (Note 33).

^(11.2) This is 50% of infrastructure rental in Cat Nhon industrial zone, Phu Cat District, Binh Dinh Province with the total area of 91,375.5 m², until 11 July 2057 for the construction of Phu Cat Wood Processing Factory..

^(11.3) This is the rental of land and infrastructure in Cat Nhon Industrial Zone, Phu Cat District, Binh Dinh Province with the areas of 39,426.5 m² and 32,439 m², respectively, the rental period is 41 years from 2017 and 38 years from 2019 to serve the construction of Binh Dinh paving stone processing factory.

^(11.4) This is the cost to obtain the right to use the leased land to serve the mining and stone production in Dien Tan commune, Dien Khanh district, Khanh Hoa province, the allocation time is 50 years from January 2019.

^(11.5) This is the value of land and infrastructure rental in Cat Nhon Industrial Zone, Phu Cat district, Binh Dinh province for an area of 38,245.5 m², the rental period is 39 years from 2018 serving the expansion of the wood factory.

^(11.6) This is the value of infrastructure rental in Long My Industrial Zone, Quy Nhon City, Binh Dinh Province for an area of 30,075.8 m², the rental period until the end of December 31, 2048 serving the construction of Long My stone processing factory.

^(11.7) This is the value of land transfer that Son Phat Trading and Production Co., Ltd paid to households to serve the quarrying work in Van Da commune, Van Ninh district, Khanh Hoa province. The allocation is 30 years from July 2019.

^(11.8) This is the amount that Thanh Chau Phu Yen Granite Co., Ltd. has paid to households under land transfer contracts to serve the quarrying work in Da Loc commune, Thanh Chau district, Phu Yen province. The allocation period is 30 years from June 2020.

^(11.9) This is the rent of land use rights and infrastructure of Nhon Trach Textile Industrial Park, Nhon Trach district, Dong Nai province with the leased area of 44,231 m², the lease period is until September 12, 2020. implementing the expansion of investment in Phu Tai high-class Thach Anh artificial stone factory.

^(11.10) These are the costs incurred prior to the operation of the Quartz Stone Factory, which will be allocated for a period of 3 years when the factory comes into operation.

12. GOODWILL

| | 31/12/2020 | 01/01/2020 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Beginning balance | 24,744,552,348 | 15,557,327,791 |
| The value of goodwill arising from acquisition of subsidiary | - | 11,845,413,179 |
| Goodwill amortized during the year | 3,199,643,239 | 2,658,188,622 |
| Ending balance | 21,544,909,109 | 24,744,552,348 |

14. TANGIBLE FIXED ASSETS

| | Buildings, structures | Machinery, equipment | Vehicles, transportation | Office equipment | Other tangibles fixed assets | Total |
|--|------------------------|--------------------------|--------------------------|----------------------|------------------------------|--------------------------|
| | VND | VND | VND | VND | VND | VND |
| Original cost | | | | | | |
| Opening balance | 926,575,120,162 | 1,210,101,887,948 | 310,697,497,468 | 5,255,371,737 | 157,002,064 | 2,452,786,879,379 |
| - Purchase in the year | 2,247,154,177 | 59,870,973,495 | 13,323,289,643 | 126,560,000 | - | 75,567,977,315 |
| - Completed construction investment | 70,417,757,498 | 72,931,413,101 | 22,544,846,306 | - | - | 165,894,016,905 |
| - Liquidation, disposal ⁽ⁱ⁾ | (25,973,953,146) | (53,333,438,104) | (20,244,883,281) | - | - | (99,552,274,531) |
| - Reduced shortage of assets awaiting resolution | (7,350,957,724) | (3,723,663,586) | - | - | - | (11,074,621,310) |
| Ending balance | 965,915,120,967 | 1,285,847,172,854 | 326,320,750,136 | 5,381,931,737 | 157,002,064 | 2,583,621,977,758 |
| Accumulated depreciation | | | | | | |
| Opening balance | 329,327,758,806 | 524,747,667,910 | 143,660,039,955 | 4,936,441,004 | 157,002,064 | 1,002,828,909,739 |
| - Depreciation for the year | 73,333,059,402 | 115,468,067,466 | 23,076,254,358 | 199,964,416 | - | 212,077,345,642 |
| - Liquidation, disposal ⁽ⁱ⁾ | (12,875,852,265) | (37,329,815,931) | (10,125,422,541) | - | - | (60,331,090,737) |
| - Reduced shortage of assets awaiting resolution | (4,727,540,816) | (2,064,514,324) | - | - | - | (6,792,055,140) |
| Ending balance | 385,057,425,127 | 600,821,405,121 | 156,610,871,772 | 5,136,405,420 | 157,002,064 | 1,147,783,109,504 |
| Net carrying amount | | | | | | |
| Opening balance | 597,247,361,356 | 685,354,220,038 | 167,037,457,513 | 318,930,733 | - | 1,449,957,969,640 |
| Ending balance | 580,857,695,840 | 685,025,767,733 | 169,709,878,364 | 245,526,317 | - | 1,435,838,868,254 |

At the end of period, the carrying amount of tangible assets used as mortgages and collateral for loans is: VND 737,662,637,885;

Original cost of fully depreciated tangible fixed assets at the end of the period but still in use is: VND 339,605,623,632.

⁽ⁱ⁾ This includes liquidation assets of Hung Yen Factory (Note 33).

Consolidated Financial Statements

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

13. PREPAYMENTS FROM CUSTOMERS

| | 31/12/2020 | 01/01/2020 |
|--|------------------------|-----------------------|
| | VND | VND |
| - Customers pay in advance to buy a real estate project ⁽ⁱ⁾ | 246,265,315,775 | - |
| - Dat Phuong Company Limited | 1,587,335,244 | 1,521,306,744 |
| - Rang Dong Commercial Electrical Construction Company Limi | 4,112,961,398 | - |
| - Granit Trading | - | 1,039,950,000 |
| - Vietnam Mechanical Service Company Limited | - | 1,390,618,193 |
| - Others | 19,018,123,191 | 24,456,170,047 |
| | 270,983,735,608 | 28,408,044,984 |

⁽ⁱ⁾ These are prepayments from customers relating to the high-rise apartment building project in Dong Da Ecology lake implemented by Phu Tai Real Estate One Member Limited Company (subsidiary) (Note 10).

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

16. CONSTRUCTION IN PROGRESS

| | 31/12/2020 | 01/01/2020 |
|---|------------------------|------------------------|
| | VND | VND |
| Construction in progress | 246,901,011,470 | 144,420,170,294 |
| - Project of expanding Long My 2 stone processing factory in Quy Nhon, Binh Dinh province ^(16.1) | - | 6,250,193,169 |
| - Project of constructing the Quartz stone factory in Nhon Trach, Dong Nai province ^(16.2) | 233,698,840,961 | 124,976,204,306 |
| - Project Wood Factory Phu Tai Binh Dinh ^(16.3) | 983,134,632 | - |
| - Contruction expense of Da Du quarry | 7,467,150,230 | 7,368,968,442 |
| - Contruction expense of Song Hinh quarry | 1,039,964,500 | 1,039,964,500 |
| - Others | 3,711,921,147 | 4,784,839,877 |
| Purchase of fixed assets | 2,674,632,274 | 13,689,005,209 |
| - Machinery and equipment for wood | 623,192,550 | 2,881,003,283 |
| - Machinery and equipment for stone | 2,051,439,724 | 10,808,001,926 |
| | 249,575,643,744 | 158,109,175,503 |

^(16.1) The project of expanding Granite processing factory - Long My 2 factory was approved under Decision No. 107A/QD-CTHDQT dated 30/10/2019 of the Chairman with total investment of VND 23.9 billion on the project scale of 30,075 m²; The investment purpose is to build Granite processing factory to expand production scale, increase capacity from 3,600 m³ / year to 18,000 m³ / year in Long My Industrial Park, Phuoc My district, Quy Nhon city, Binh Dinh province; Project implementation period started from November 2019. During the year, the project has completed the construction and put into operation.

^(16.2) The project of artificial quartz stone processing factory was approved under Decision No. 79/QD-HDQT dated June 6, 2019 of the Board of Management with total investment of VND 273,976 billion on the project scale of 4.4 ha; the investment purpose is to build an artificial quartz stone processing factory with an estimated capacity of 40,000m² / month, equivalent to 450,000m² / year in Nhon Trach Industrial Park, Nhon Trach District, Dong Nai Province; The project implemented from June 2019. As at December 31, 2020, the project has been in the testing phase, and is expected to come into operation by January 2021.

^(16.3) The project of Phu Tai Binh Dinh Furniture and Wood Processing Factory was approved under Decision No. 80/QD-HDQT dated August 20, 2020 of the Chairman with total investment of VND 429.19 billion on the project scale of 52,149 m² which is divided into 3 phases; The purpose is to build a factory specializing in manufacturing furniture products, especially the kitchen cabinet to ensure the successful completion of the Company's orientation and development on the wood industry in the period 2020 - 2024. On December 31, 2020, the project has started building the factory.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

15. INTANGIBLE FIXED ASSETS

| | Site preparation expenses | Land use rights | Mining rights | Accounting software | Other intangible fixed assets | Total |
|---------------------------------|---------------------------|-----------------|----------------|---------------------|-------------------------------|----------------|
| | VND | VND | VND | VND | VND | VND |
| Historical cost | | | | | | |
| Opening balance | 15,579,099,436 | 12,303,892,946 | 20,403,912,568 | 86,416,000 | 731,525,918 | 49,104,846,868 |
| Ending balance | 15,579,099,436 | 12,303,892,946 | 20,403,912,568 | 86,416,000 | 731,525,918 | 49,104,846,868 |
| Accumulated amortization | | | | | | |
| Opening balance | 9,722,029,801 | 3,259,956,119 | 5,531,552,780 | 86,416,000 | 731,525,918 | 19,331,480,618 |
| - Depreciation for the year | 1,346,769,373 | 436,462,173 | 1,075,261,091 | - | - | 2,858,492,637 |
| Ending balance | 11,068,799,174 | 3,696,418,292 | 6,606,813,871 | 86,416,000 | 731,525,918 | 22,189,973,255 |
| Net carrying amount | | | | | | |
| Opening balance | 5,857,069,635 | 9,043,936,827 | 14,872,359,788 | - | - | 29,773,366,250 |
| Ending balance | 4,510,300,262 | 8,607,474,654 | 13,797,098,697 | - | - | 26,914,873,613 |

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

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

| 18. TAX AND OTHER PAYABLES TO THE STATE BUDGET | | | | | | | |
|---|------------------------------------|--------------------------------------|-------------------------|------------------------|------------------------------|---------------------------|--|
| | Tax receivable at the beginning of | Tax payable at the beginning of year | Tax payable in the year | Tax paid in the year | Tax receivable at the end of | Tax payable at the end of | |
| | VND | VND | VND | VND | VND | VND | |
| Value-added tax | - | 10,535,179,449 | 130,001,058,385 | 133,000,579,483 | - | 7,535,658,351 | |
| Export, import duties | - | - | 3,282,307,440 | 3,282,307,440 | - | - | |
| Corporate income tax | - | 65,703,316,924 | 85,151,806,451 | 77,791,635,217 | 49,844,844 | 73,113,333,002 | |
| Personal income tax | - | 562,076,455 | 9,459,330,176 | 9,317,355,988 | 46,061,344 | 750,111,987 | |
| Natural resource tax | - | 3,588,607,491 | 27,568,582,281 | 28,512,538,046 | - | 2,644,651,726 | |
| Land tax and land rental | 71,693,800 | 66,975,866 | 8,760,763,136 | 8,766,255,452 | 77,186,116 | 66,975,866 | |
| Other taxes | - | - | 54,000,000 | 54,000,000 | - | - | |
| Fees, charges and other payables | - | 6,599,377,870 | 20,963,318,599 | 20,572,736,072 | - | 6,989,960,397 | |
| | 71,693,800 | 87,055,534,055 | 285,241,166,468 | 281,297,407,698 | 173,092,304 | 91,100,691,329 | |

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

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

| 17. 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 | | | |
| - An Phong Construction Joint Stock Company | 58,334,387,999 | 58,334,387,999 | 14,869,546,188 | 14,869,546,188 | | | |
| - Hoang Giang Co., Ltd | 25,997,189,374 | 25,997,189,374 | 17,777,389,841 | 17,777,389,841 | | | |
| - Vu Tin International Trading Co., Ltd | 22,154,358,738 | 22,154,358,738 | 26,494,363,855 | 26,494,363,855 | | | |
| - Thanh Danh Co., Ltd | 19,908,028,529 | 19,908,028,529 | 15,840,230,538 | 15,840,230,538 | | | |
| - Sudima Panels Co., Ltd | 17,329,441,501 | 17,329,441,501 | - | - | | | |
| - Xincheng International | 16,784,644,240 | 16,784,644,240 | - | - | | | |
| - Giang Dat Thanh Production and Trade Co., Ltd | 9,047,714,400 | 9,047,714,400 | 13,160,117,950 | 13,160,117,950 | | | |
| - Lundhs Labrador A/S | 8,489,288,897 | 8,489,288,897 | 9,922,547,925 | 9,922,547,925 | | | |
| - Binh Thanh Acacia Chemical Production and Trade Co., Ltd | 6,101,260,250 | 6,101,260,250 | 8,166,125,600 | 8,166,125,600 | | | |
| - Quy Nhon Cushion Joint Stock Company | 7,926,911,740 | 7,926,911,740 | 10,863,869,390 | 10,863,869,390 | | | |
| - Phuoc Long Imex Co., Ltd | 5,904,220,612 | 5,904,220,612 | 7,004,290,271 | 7,004,290,271 | | | |
| - Binh Dinh Construction Co., Ltd | 5,326,230,126 | 5,326,230,126 | 14,200,661,166 | 14,200,661,166 | | | |
| - Hoang Tam Co., Ltd | 3,480,450,387 | 3,480,450,387 | 2,998,620,386 | 2,998,620,386 | | | |
| - Quang Trung Mechanical Construction Joint Stock Company | 378,682,707 | 378,682,707 | 3,109,385,994 | 3,109,385,994 | | | |
| - Kim Hung Thinh Construction Design Consultancy Co., Ltd | - | - | 19,756,498,960 | 19,756,498,960 | | | |
| - Others | 321,430,076,119 | 321,430,076,119 | 279,944,975,379 | 279,944,975,379 | | | |
| | 528,592,885,619 | 528,592,885,619 | 444,108,623,443 | 444,108,623,443 | | | |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

19. SHORT-TERM ACCRUED EXPENSES

| | 31/12/2020 | 01/01/2020 |
|--|----------------------|-----------------------|
| | VND | VND |
| - Accrued land rental | 1,399,436,598 | 4,454,557,113 |
| - Accrued interest expenses | 2,820,259,943 | 2,209,640,962 |
| - Accrued electricity expenses | 416,560,593 | 734,962,848 |
| - Accrued commission expenses | 1,818,829,900 | 2,532,447,209 |
| - 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 | 69,724,662 | 56,493,520 |
| - Accrued of promotional expenses for car sales | 88,350,000 | 940,145,616 |
| - Others | 1,229,406,303 | 2,056,929,361 |
| | 9,639,978,866 | 15,114,131,685 |

20. SHORT-TERM UNEARNED REVENUE

| | 31/12/2020 | 01/01/2020 |
|------------------------------|--------------------|--------------------|
| | VND | VND |
| - Revenue from office rental | 191,475,000 | 207,000,000 |
| | 191,475,000 | 207,000,000 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

21. OTHER PAYABLES

| | 31/12/2020 | 01/01/2020 |
|--|-----------------------|-----------------------|
| | VND | VND |
| a) Short-term | | |
| Trade union fee | 5,493,392,749 | 4,005,939,869 |
| Social insurance | 443,535,323 | 408,963,480 |
| Health insurance | 87,039,172 | 69,893,218 |
| Unemployment insurance | 37,119,485 | 153,159,355 |
| Short-term deposits, collateral received | 6,587,006,615 | 1,890,000,000 |
| Other payables | 19,362,117,124 | 10,632,941,322 |
| - Interest of Vinacam Joint Stock Company | 548,455,998 | 2,828,455,998 |
| - Land rent must be paid to the Finance Department - Ministry of Defense | 3,261,351,300 | 3,261,351,000 |
| - Interest of personal loans | 1,276,402,761 | 24,168,971 |
| - Payables to Military zone No. 05 | 122,000,000 | 122,000,000 |
| - Donation funds | 386,461,577 | 421,985,144 |
| - Benefits payable to employees | 16,119,700 | 29,445,928 |
| - Party fee, union fee | 1,557,492,641 | 1,341,626,900 |
| - Dividends payable to Owners | 1,037,092,000 | 77,682,200 |
| - Advances payable to employees | 342,453,299 | 452,092,057 |
| - Trade discount payable to Toyota Vietnam | - | 632,645,455 |
| - Insurance indemnity advance ⁽ⁱ⁾ | 10,000,000,000 | - |
| - Others | 814,287,848 | 1,441,487,669 |
| | 32,010,210,468 | 17,160,897,244 |
| b) Long-term | | |
| Long-term deposits, collateral received | 3,057,284,928 | 4,238,083,329 |
| | 3,057,284,928 | 4,238,083,329 |

⁽ⁱ⁾ This is an advance payment by Binh Dinh Post Insurance Company to compensate for the fire incident at Thang Loi Enterprise (details in Note 8).

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

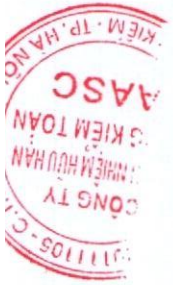
| | Interest rate/ year | Loan purpose | Loan guarantee | 31/12/2020 | | 01/01/2020 | |
|---|---------------------|------------------------|-----------------------------|---------------------------------|-----------------|-------------------|-----------------|
| | | | | Original currency | VND | Original currency | VND |
| Short-term loans (VND) | | | | | | | |
| - Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 436,011,339,619 | 250,564,702,609 | 881,060,434,334 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 64,716,108,011 | | 340,271,434,048 |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 52,336,077,979 | | 306,061,686,196 |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Tai Industrial Zone Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | - | | 175,974,323,430 |
| - Vietnam Technological and Commercial Joint Stock Bank - Quy Nhon Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 10,756,590,470 | | 26,219,876,000 |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Phu Yen Branch | VND | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | - | | 6,263,612,592 |
| - Short-term Personal loans | VND | Specified in each loan | Serving business activities | Unsecured loan | 57,637,860,550 | | 2,626,949,768 |
| | | | | | | | 23,642,552,300 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

22. BORROWINGS

| | 01/01/2020 (Adjusted) | | 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 | | |
| a) Short-term borrowings | | | | | | | | |
| Short-term borrowings | 1,484,009,916,680 | 1,484,009,916,680 | 3,597,024,434,184 | 3,839,822,812,978 | 1,241,211,537,886 | 1,241,211,537,886 | | |
| Current portion of long-term borrowings | 84,686,657,456 | 84,686,657,456 | 175,478,373,140 | 103,970,998,816 | 156,194,031,780 | 156,194,031,780 | | |
| | 1,568,696,574,136 | 1,568,696,574,136 | 3,772,502,807,324 | 3,943,793,811,794 | 1,397,405,569,666 | 1,397,405,569,666 | | |
| b) Long-term borrowings | | | | | | | | |
| Long-term borrowings | 226,070,424,587 | 226,070,424,587 | 98,983,890,627 | 76,675,906,064 | 248,378,409,150 | 248,378,409,150 | | |
| 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 | | |
| | 305,909,082,924 | 305,909,082,924 | 309,043,296,345 | 151,263,906,067 | 463,688,473,202 | 463,688,473,202 | | |
| Amount due for settlement within 12 months | (84,686,657,456) | (84,686,657,456) | (175,478,373,140) | (103,970,998,816) | (156,194,031,780) | (156,194,031,780) | | |
| Amount due for settlement after 12 months | 221,222,425,468 | 221,222,425,468 | | | 307,494,441,422 | 307,494,441,422 | | |



Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

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

| | Currency | Interest rate/ year | Loan purpose | Year of maturity | Loan guarantee | 31/12/2020 VND | 01/01/2020 VND |
|---|----------|------------------------|-----------------------------|---------------------|---------------------------------|-------------------|-------------------|
| Long-term loans | | | | | | | |
| - Joint Stock Commercial Bank for Investment VND and Development of Vietnam - Phu Tai | | Floating rate | Serve the project | 2022 | Collateral asset ⁽ⁱ⁾ | 13,586,000,000 | 18,786,000,000 |
| - Joint Stock Commercial Bank for Foreign VND Trade of Vietnam - Quy Nhon Branch | | Floating rate | Serve the project | 2023 | Collateral asset ⁽ⁱ⁾ | 50,590,395,060 | 70,590,395,060 |
| - Vietnam Joint Stock Commercial Bank for VND Industry and Trade - Phu Yen Branch | | Floating rate | Serving business activities | 2022 | Collateral asset ⁽ⁱ⁾ | 5,284,443,750 | - |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | | Floating rate | Serving business activities | 2022 | Collateral asset ⁽ⁱ⁾ | 20,352,061,786 | 8,129,103,716 |
| - Vietnam Joint Stock Commercial Bank for VND Industry and Trade - Phu Yen Branch | | Floating rate | Serve the project | 2020 | Collateral asset ⁽ⁱ⁾ | - | 7,546,193,750 |
| - Vietnam Technological and Commercial Joint Stock Bank - Quy Nhon Branch | VND | Floating rate | Serving business activities | 2024 | Collateral asset ⁽ⁱ⁾ | 75,764,009,003 | 95,666,854,307 |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | USD | Floating rate | Serving business activities | 2022 | Collateral asset ⁽ⁱ⁾ | 1,857,065,924 | 3,022,715,502 |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | VND | Floating rate | Serving business activities | 2024 | Collateral asset ⁽ⁱ⁾ | 17,075,241,740 | 22,329,162,252 |
| - Vietnam Technological and Commercial Joint Stock Bank - Ho Chi Minh Branch | VND | Floating rate | Serve the project | 2023 | Collateral asset ⁽ⁱ⁾ | 63,869,191,887 | - |
| - Bonds issued ⁽ⁱⁱ⁾ | | | | | | 215,310,064,052 | 79,838,658,337 |

Amount due for settlement within 12 months

463,688,473,202 **305,909,082,924**
(156,194,031,780) (84,686,657,456)

Amount due for settlement after 12 months

307,494,441,422 **221,222,425,468**

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

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

| | Interest rate/ year | Loan purpose | Loan guarantee | 31/12/2020 | | 01/01/2020 | | |
|--|---------------------|---------------|-----------------------------|---------------------------------|-------------------|-------------------|-------------------|-----------------|
| | | | | Original currency | VND | Original currency | VND | |
| Short-term loans (USD) | | | | | | | | |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 34,709,291.92 | 805,200,198,267 | 23,371,880.92 | 602,949,482,346 |
| - Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu Tai Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 1,682,406.00 | 39,023,407,170 | 2,382,495.25 | 55,357,277,134 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quy Nhon Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 2,693,966.41 | 62,473,081,048 | 1,350,238.38 | 31,366,037,567 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 12,803,007.17 | 297,221,811,452 | 3,573,045.21 | 83,001,840,228 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 1,796,546.00 | 41,706,815,390 | 3,887,863.82 | 90,315,076,539 |
| - Sai Gon Joint Stock Commercial Bank - Binh Dinh Branch | USD | 4.5%/year | Serving business activities | Collateral asset ⁽ⁱ⁾ | - | - | 1,900,000.00 | 44,137,000,000 |
| - Viet Nam Technological and Commercial Joint Stock Company - Quy Nhon Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 10,915,540.86 | 253,131,392,543 | 5,724,095.00 | 193,071,007,686 |
| - The Viet Nam Bank for Agriculture Rural Development - Tam Phuoc Dong Nai Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 3,525,711.48 | 81,673,106,434 | 3,426,154.26 | 79,486,778,832 |
| - Military Commercial Joint Stock Bank - Binh Dinh Branch | USD | Floating rate | Serving business activities | Collateral asset ⁽ⁱ⁾ | 1,292,114.00 | 29,970,584,230 | 1,127,989.00 | 26,214,464,360 |
| | | | | | 1,241,211,537,886 | | 1,484,009,916,680 | |

(ii) The Company has carried out the private offering as follows:

- According to the plan of private offering 650 bonds with par value of VND 100,000,000 per bond under Resolution No. 62/NQ-HDQT dated 17 May 2019 through issuance agents for less than 100 investors with the purpose of paying the transfer cost of 99% of the capital contribution in Son Phat Trading and Production Co., Ltd (Son Phat) 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 (par value of VND 100 million per 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 a certificate; Bond term is 36 months from the date of issue; The bond interest rate for the first 4 interest periods is 9% per year, the next period will be adjusted according to the medium and long term interest rate with tenor of 24 months of the Military Commercial Joint Stock Bank - Binh Dinh Branch. Secured assets are: Factories, machinery and equipment owned by Son Phat Trading and Production Company Limited; quarrying rights 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.

23. PROVISIONS FOR PAYABLES

| | 31/12/2020 | 01/01/2020 |
|---|----------------------|----------------------|
| | VND | VND |
| a) Short-term | | |
| - Cost of mineral mining right ^(23.1) | 4,405,733,967 | 4,405,733,967 |
| | 4,405,733,967 | 4,405,733,967 |
| b) Long-term | | |
| - Cost of environmental restoration ^(23.2) | 6,100,316,546 | 4,632,939,873 |
| - Land rental without contract | 2,822,400,000 | - |
| | 8,922,716,546 | 4,632,939,873 |

^(23.1) Regarding the cost of Mineral mining rights of stone mines in Binh Dinh, there is no notification from Binh Dinh Department of Tax so the Company has temporarily recognized it as accrued expenses in accordance with the regulations of the Decree No. 203/2013/ND-CP dated 28 November 2013 of the Government and the document No. 1014/DCKS - KTDCKS dated 09 July 2014 of the General Department of Geology and Minerals of Vietnam.

^(23.2) The cost of environmental restoration is recorded annually and determined by dividing the total estimated costs of environmental restoration under the mining permit by the exploitation duration under the permit.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

(i) During the year, according to Resolution No. 27/NQ-HDQT and the plan to repurchase stocks for treasury stocks No. 25/PA-HDQT dated 25 March 2020, registered to buy back 1,500,000 shares for treasury shares that reduce the number of outstanding shares in circulation, increase the transaction value through order matching or agreement trading. Due to changes in stock prices, the Company successfully purchased 1,240,260 shares with the average trading price of VND 44,955/share.

The company's profit distribution is as follows:

| | At the Parent Company ⁽¹⁾ VND | At the Subsidiaries VND | Total VND |
|---|--|----------------------------|-----------------|
| Appropriation to Bonus and welfare fund | 20,647,662,435 | 6,240,452,053 | 26,888,114,488 |
| Transfer to the other capital | 252,892,783,261 | 6,027,389,654 | 258,920,172,915 |
| Shares bonus of Subsidiary | - | 5,191,908,640 | 5,191,908,640 |
| Investment and development funds | - | 879,284,001 | 879,284,001 |
| Dividends distributed in form of cash | 139,412,803,000 | 12,182,594,174 | 151,595,397,174 |

(1) At the Parent Company: Profit in 2019 is distributed according to the Resolution No. 02/NQ-ĐHĐCĐ dated 19 June 2020 of the Company's Annual General Shareholders' Meeting in 2020.

b) Details of contributed capital

| | 31/12/2020 VND | Rate % | 01/01/2020 VND | Rate % |
|-------------------|------------------------|-------------|------------------------|-------------|
| 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% | 24,496,980,000 | 5.04% |
| Others | 333,378,230,000 | 68.60% | 340,313,500,000 | 70.02% |
| Total | 485,994,410,000 | 100% | 485,994,410,000 | 100% |

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

| | Year 2020 VND | Year 2019 VND |
|---|------------------------|------------------------|
| Owners' contributed capital | | |
| - At the beginning of the year | 485,994,410,000 | 485,994,410,000 |
| - Increase during the year | - | - |
| - At the end of the year | 485,994,410,000 | 485,994,410,000 |
| Distributed dividends and profits | | |
| - Dividends, profit payable at the beginning of the year | 77,682,200 | 76,095,000 |
| - Dividends, profit payable in the year | 151,595,397,174 | 165,016,476,600 |
| + Dividends and profits distributed from the previous year profit | 151,595,397,174 | 165,016,476,600 |
| - Dividends distributed in form of cash | 150,635,987,374 | 165,014,889,400 |
| + Dividends and profits distributed from the previous year profit | 140,176,067,097 | 156,028,114,493 |
| + Dividends and profits distributed from this year profit | 10,459,920,277 | 8,986,774,907 |
| - Ending balance of the year | 1,037,092,000 | 77,682,200 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

24. OWNERS' EQUITY
a) Changes in owners' equity

| | Contributed capital VND | Share premium VND | Other capital VND | Treasury shares VND | Development and investment VND | Retained earnings VND | Non - Controlling VND | Total VND |
|--|----------------------------|------------------------|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|--------------------------|
| Beginning balance of previous year | 485,994,410,000 | 162,128,986,832 | 566,683,450,074 | - | 5,266,263,893 | 385,458,429,987 | 53,654,546,193 | 1,659,186,086,979 |
| Profit of the previous year | - | - | - | - | - | 435,375,751,707 | 21,427,217,813 | 456,802,969,520 |
| Dividends distributed in form of cash | - | - | - | - | - | (151,358,211,200) | (13,658,265,400) | (165,016,476,600) |
| Dividends paid in stock | - | - | 200,710,093,218 | - | - | (200,710,093,218) | - | - |
| Transfer to other capital | - | - | - | - | 801,742,915 | (801,742,915) | - | - |
| Investment and development funds | - | - | - | - | - | (22,236,541,798) | (410,068,071) | (22,646,609,869) |
| Bonus and welfare fund | - | - | - | - | - | - | - | (82,808,934,273) |
| Redemption of treasury shares ⁽ⁱ⁾ | - | - | - | (82,808,934,273) | - | - | - | - |
| Ending balance of previous year | 485,994,410,000 | 162,128,986,832 | 767,393,543,292 | (82,808,934,273) | 6,068,006,808 | 445,727,592,563 | 61,013,430,535 | 1,845,517,035,757 |
| Profit of the this year | - | - | - | - | - | 358,501,244,681 | 20,804,204,399 | 379,305,449,080 |
| Dividends distributed in the form of cash | - | - | - | - | - | (139,412,803,000) | (12,182,594,174) | (151,595,397,174) |
| Transfer to other capital | - | - | 258,920,172,915 | - | - | (258,920,172,915) | - | - |
| Shares bonus of Subsidiary | - | - | 5,191,908,640 | - | - | (5,191,908,640) | - | - |
| Investment and development funds | - | - | - | - | 879,284,001 | (879,284,001) | - | - |
| Bonus and welfare fund | - | - | - | - | - | (24,999,421,286) | (1,888,693,203) | (26,888,114,489) |
| Redemption of treasury shares ⁽ⁱ⁾ | - | - | - | (82,808,934,273) | - | - | - | (82,808,934,273) |
| Other increase | - | - | - | - | - | 41,897,073 | - | 41,897,073 |
| Ending balance of this year | 485,994,410,000 | 162,128,986,832 | 1,031,505,624,847 | (138,564,459,864) | 1,755,382,169 | 380,059,053,115 | 67,746,347,557 | 1,990,625,344,656 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

d) Shares

| | 31/12/2020 | 01/01/2020 |
|---|------------|------------|
| Quantity of Authorized issuing shares | 48,599,441 | 48,599,441 |
| Quantity of issued shares and fully contributed | 48,599,441 | 48,599,441 |
| - Common shares | 48,599,441 | 48,599,441 |
| Number 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 | | |

25. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

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

The Company signs contracts to lease land and industrial park infrastructure (details are in Note 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9) for the purpose of serving production and business activities in industrial parks where the Company has production and business establishment. The company has paid the rent in lump sum for the entire lease term.

b) Assets held under trust

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

c) Foreign currencies

| | 31/12/2020 | 01/01/2020 |
|-----|--------------|------------|
| USD | 1,930,408.44 | 898,852.63 |
| EUR | 12,138.08 | 1,680.89 |

d) Doubtful debts written-offs

| | 31/12/2020 | 01/01/2020 |
|--|---------------|---------------|
| | VND | VND |
| | 3,917,387,584 | 2,387,287,401 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

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

| | Year 2020 | Year 2019 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Revenue from sale of goods | 5,502,864,608,749 | 5,403,341,834,531 |
| - Wood products | 2,988,527,835,690 | 2,090,653,257,501 |
| - Toyota Car | 1,050,200,514,252 | 1,805,079,211,214 |
| - Stone products | 1,435,563,869,427 | 1,495,823,438,309 |
| - Others | 28,572,389,380 | 11,785,927,507 |
| Revenue from rendering of services | 99,384,013,553 | 145,828,488,467 |
| - Car repair service | 97,131,356,417 | 144,035,431,550 |
| - Office and factory for lease service | 2,252,657,136 | 1,793,056,917 |
| | 5,602,248,622,302 | 5,549,170,322,998 |

27. REVENUE DEDUCTIONS

| | Year 2020 | Year 2019 |
|---------------------|----------------------|-------------------|
| | VND | VND |
| Sales returns | 429,727,605 | 32,967,894 |
| Devaluation of sale | 582,125,000 | - |
| | 1,011,852,605 | 32,967,894 |

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

| | Year 2020 | Year 2019 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Revenue from sale of goods | 5,501,852,756,144 | 5,403,308,866,637 |
| - Wood products | 2,988,098,108,085 | 2,090,620,289,607 |
| - Toyota Car | 1,050,200,514,252 | 1,805,079,211,214 |
| - Stone products | 1,434,981,744,427 | 1,495,823,438,309 |
| - Others | 28,572,389,380 | 11,785,927,507 |
| Revenue from rendering of services | 99,384,013,553 | 145,828,488,467 |
| - Car repair service | 97,131,356,417 | 144,035,431,550 |
| - Office and factory for lease service | 2,252,657,136 | 1,793,056,917 |
| | 5,601,236,769,697 | 5,549,137,355,104 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

29. COST OF GOODS SOLD

| | Year 2020 | Year 2019 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Cost of goods sold | 4,383,786,575,998 | 4,348,011,053,421 |
| - Wood products | 2,314,123,951,588 | 1,639,554,529,171 |
| - Toyota Car | 1,035,343,189,338 | 1,757,418,121,469 |
| - Stone products | 1,013,678,720,533 | 939,720,565,681 |
| - Others | 20,640,714,539 | 11,317,837,100 |
| Cost of services rendered | 76,560,847,724 | 110,418,821,171 |
| - Car repair service | 76,500,007,724 | 110,366,431,171 |
| - Office and factory for lease service | 60,840,000 | 52,390,000 |
| | 4,460,347,423,722 | 4,458,429,874,592 |

30. FINANCIAL INCOME

| | Year 2020 | Year 2019 |
|---|-----------------------|-----------------------|
| | VND | VND |
| Interest income | 4,994,886,133 | 8,256,427,841 |
| Interest from selling trading securities | 2,352,267,596 | - |
| Dividends or profits received | 168,000,000 | 239,457,534 |
| Gains from exchange rate difference arising during the year | 13,011,647,806 | 4,552,357,649 |
| Foreign exchange gains due to revaluation of year-end balance | 3,186,814,340 | 1,453,341,651 |
| Deferred sales interest, discount payment | 74,664,460 | 1,809,070,052 |
| | 23,788,280,335 | 16,310,654,727 |

31. FINANCIAL EXPENSES

| | Year 2020 | Year 2019 |
|----------------------------|------------------------|-----------------------|
| | VND | VND |
| Interest expenses | 89,239,816,660 | 92,311,437,775 |
| Realised exchange losses | 16,723,274,312 | 3,936,947,389 |
| Unrealised exchange losses | 197,279,808 | 298,586,873 |
| Others | 224,486,092 | - |
| | 106,384,856,872 | 96,546,972,037 |

32. SELLING EXPENSES

| | Year 2020 | Year 2019 |
|----------------------------------|------------------------|------------------------|
| | VND | VND |
| Raw materials | 232,619,335,954 | 122,994,080,242 |
| Labour expenses | 15,673,822,931 | 15,502,305,077 |
| Tools and supplies | 35,596,870 | 79,536,155 |
| Depreciation expenses | 2,474,985,801 | 2,361,665,362 |
| Tax, Charge, Fee | 14,992,416,992 | 15,794,911,842 |
| Expenses of outsourcing services | 147,217,634,272 | 119,716,318,405 |
| Other expenses in cash | 9,094,040,603 | 6,671,259,012 |
| | 422,107,833,423 | 283,120,076,095 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

33. GENERAL AND ADMINISTRATIVE EXPENSES

| | Year 2020 | Year 2019 |
|----------------------------------|------------------------|------------------------|
| | VND | VND |
| Raw materials | 600,477,889 | 312,456,862 |
| Labour expenses | 126,217,507,853 | 108,140,124,858 |
| Tools and supplies | 5,440,632,295 | 6,983,028,046 |
| Depreciation expenses | 11,936,796,900 | 12,158,299,941 |
| Tax, Charge, Fee | 6,024,902,241 | 6,334,947,779 |
| Provision expenses | 1,076,547,497 | (1,038,190,013) |
| Expenses of outsourcing services | 22,857,784,877 | 24,479,305,954 |
| Other expenses in cash | 19,345,240,021 | 25,415,099,971 |
| Goodwill | 3,199,643,239 | 2,658,188,622 |
| | 196,699,532,812 | 185,443,262,020 |

34. OTHER INCOME

| | Year 2020 | Year 2019 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Gain from liquidating, disposing fixed assets ⁽ⁱ⁾ | 18,296,316,561 | 4,587,373,414 |
| Gain from Toyota car sale promotion | 6,066,402,957 | 3,781,646,339 |
| Gain from wood sale promotion | 241,392,990 | 308,005,592 |
| Gain from penalty | 21,305,970 | 876,223,386 |
| Gain from debt collection | 2,326,962,692 | 171,244,161 |
| Gain from other services | 1,409,390,250 | 1,147,808,347 |
| Thu nhập khác | 595,987,034 | 1,118,513,024 |
| | 28,957,758,454 | 11,990,814,263 |

⁽ⁱ⁾ 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 Thinh 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.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

35. OTHER EXPENSES

| | Year 2020 | Year 2019 |
|--|----------------------|----------------------|
| | VND | VND |
| Penalty due to late delivery | 2,226,090,526 | 1,845,973,740 |
| Local support costs | - | 329,400,001 |
| Residual value and expenses from liquidating, disposing fixed assets | 135,035,243 | - |
| Amounts fined, late payment interest | 2,209,938,432 | 796,836,266 |
| Debt settlement | 456,222,542 | 23,555,274 |
| Other expenses | 1,107,917,253 | 867,413,577 |
| | 6,135,203,996 | 3,863,178,858 |

36. CURRENT CORPORATE INCOME TAX EXPENSES

| | Year 2020 | Year 2019 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Current corporate income tax expense in parent company | 58,110,019,697 | 64,421,430,253 |
| Current corporate income tax expense in subsidiary | 24,578,034,794 | 28,548,554,072 |
| - Phu Yen Construction Materials JSC | 4,543,487,373 | 7,562,398,166 |
| - Tuan Dat Minerals One-member Company Limited | 761,017,176 | 1,711,787,552 |
| - Universal Stone Joint Stock Company | - | - |
| - Toyota Binh Dinh One-member Company Limited | 1,373,285,789 | 1,935,975,366 |
| - Toyota Da Nang One-member Company Limited | - | 5,439,369,525 |
| - Phu Tai Dong Nai One-member Company Limited | 7,909,835,804 | 2,685,008,436 |
| - Vina G7 Joint Stock Company | 6,460,820,152 | 4,902,595,778 |
| - Granite Manufacturing Company Limited | 875,764,089 | 2,549,405,366 |
| - Thanh Chau Phu Yen Granite Company Limited | 1,620,216,993 | 1,334,924,335 |
| - Son Phat Production and Trading Company Limited | 1,033,607,418 | 427,089,548 |
| | 82,688,054,491 | 92,969,984,325 |

37. DEFERRED INCOME TAX

a) Deferred income tax assets

| | 31/12/2020 | 01/01/2020 |
|---|----------------------|--------------------|
| | VND | VND |
| Deferred income tax assets related to deductible temporary differences (CIT rate 20%) | 1,578,259,110 | 900,087,827 |
| Assets Deferred income tax arises from temporary payment of corporate income tax on real estate activities (CIT rate of 1%) | 2,462,653,158 | - |
| Deferred income tax assets | 4,040,912,268 | 900,087,827 |

b) Deferred income tax liabilities

| | 31/12/2020 | 01/01/2020 |
|--|----------------------|--------------------|
| | VND | VND |
| Corporate income tax rate used to determine deferred income tax assets | 20% | 20% |
| Deferred income tax liabilities arising from deductible temporary difference | 1,379,919,620 | 387,294,247 |
| Deferred income tax liabilities | 1,379,919,620 | 387,294,247 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

c) Deferred corporate income tax expense

| | Year 2020 | Year 2019 |
|---|--------------------|--------------------|
| | VND | VND |
| Deferred CIT expense relating to taxable temporary difference | 992,625,373 | 367,261,154 |
| Deferred CIT income arising from deductible temporary difference | (1,578,259,110) | (900,087,827) |
| Deferred CIT expense relating to reversal of deferred income tax assets | 900,087,827 | 795,333,320 |
| | 314,454,090 | 262,506,647 |

38. BASIC EARNINGS PER SHARE

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

| | Year 2020 | Năm 2019 |
|--|-----------------|-----------------|
| | VND | VND |
| Net profit after tax | 358,501,244,681 | 435,375,751,707 |
| Profit distributed for common shares | 358,501,244,681 | 435,375,751,707 |
| Average number of outstanding common shares in circulation in the year | 46,506,488 | 47,676,975 |
| Basic earnings per share | 7,709 | 9,132 |

The Company has not planned to provision Bonus and Welfare Funds and Bonus Fund for the Board of Management on Profit after tax at the time of preparing the Financial Statements.

39. BUSINESS AND PRODUCTIONS COST BY ITEMS

| | Year 2020 | Year 2019 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Raw materials | 1,851,394,729,240 | 1,672,801,290,421 |
| Labour expenses | 542,366,194,067 | 447,196,993,196 |
| Tools and supplies | 76,331,705,601 | 60,754,499,424 |
| Depreciation expenses | 214,935,838,281 | 186,390,286,240 |
| Tax, Charge, Fee | 68,916,066,311 | 41,840,783,918 |
| Provision expenses/ Reversal of provision expenses | 1,072,417,376 | (987,715,899) |
| Expenses from outsourcing services | 912,999,691,009 | 594,288,223,899 |
| Other expenses in cash | 63,999,306,749 | 52,737,924,372 |
| | 3,732,015,948,634 | 3,055,022,285,571 |

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

40. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

| | Carrying amount | | | |
|------------------------------|------------------------|-------------------------|--------------------------|--------------------------|
| | 31/12/2020 | | 01/01/2020 | |
| | Original Cost | Provision | Original Cost | Provision |
| | VND | VND | VND | VND |
| Financial Assets | | | | |
| Cash and cash equivalents | 167,783,353,561 | - | 126,518,814,646 | - |
| Trade and other receivables | 672,639,767,301 | (10,466,019,508) | 729,385,205,762 | (10,433,145,611) |
| Loans | 100,000,000,000 | - | 50,000,000,000 | - |
| Short term investment | 12,153,038,334 | - | - | - |
| | 952,576,159,196 | (10,466,019,508) | 905,904,020,408 | (10,433,145,611) |
| | | | | |
| | Carrying amount | | | |
| | 31/12/2020 | | 01/01/2020 | |
| | VND | VND | VND | VND |
| Financial Liabilities | | | | |
| Borrowings and debts | | | 1,704,900,011,088 | 1,789,918,999,604 |
| Trade and other payables | | | 563,660,381,015 | 465,507,604,016 |
| Accrued expenses | | | 9,639,978,866 | 15,114,131,685 |
| | | | 2,278,200,370,969 | 2,270,540,735,305 |

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

Financial risk management

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

Market risk

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

Price risk:

The Company 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 end of the accounting period, the Company has no plan to sell these investments.

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

| | Under 1 year | From more than 1 years | From more than 5 years | Total |
|-------------------------|-----------------------|------------------------|------------------------|-----------------------|
| | VND | VND | VND | VND |
| | | | | |
| As at 31/12/2020 | | | | |
| Short term investment | 12,153,038,334 | - | - | 12,153,038,334 |
| | 12,153,038,334 | - | - | 12,153,038,334 |

Exchange rate risk:

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

Interest rate risk:

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

Credit Risk

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

| | Under 1 year | From 1 to 5 years | From more than 5 years | Total |
|-----------------------------|------------------------|-----------------------|------------------------|------------------------|
| | VND | VND | VND | VND |
| | | | | |
| As at 31/12/2020 | | | | |
| Cash and cash equivalents | 167,783,353,561 | - | - | 167,783,353,561 |
| Trade and other receivables | 642,676,077,633 | 19,497,670,160 | - | 662,173,747,793 |
| Loans | 100,000,000,000 | - | - | 100,000,000,000 |
| | 910,459,431,194 | 19,497,670,160 | - | 929,957,101,354 |
| As at 01/01/2020 | | | | |
| Cash and cash equivalents | 126,518,814,646 | - | - | 126,518,814,646 |
| Trade and other receivables | 699,975,747,829 | 18,976,312,322 | - | 718,952,060,151 |
| Loans | 50,000,000,000 | - | - | 50,000,000,000 |
| | 876,494,562,475 | 18,976,312,322 | - | 895,470,874,797 |

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:

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

| | Under 1 year | From 1 to 5 years | From more than 5 years | Total |
|--------------------------|--------------------------|------------------------|------------------------|--------------------------|
| | VND | VND | VND | VND |
| As at 31/12/2020 | | | | |
| Borrowings and debts | 1,397,405,569,666 | 307,494,441,422 | - | 1,704,900,011,088 |
| Trade and other payables | 560,603,096,087 | 3,057,284,928 | - | 563,660,381,015 |
| Accrued expenses | 9,639,978,866 | - | - | 9,639,978,866 |
| | 1,967,648,644,619 | 310,551,726,350 | - | 2,278,200,370,969 |
| As at 01/01/2020 | | | | |
| Borrowings and debts | 1,568,696,574,136 | 221,222,425,468 | - | 1,789,918,999,604 |
| Trade and other payables | 461,269,520,687 | 4,238,083,329 | - | 465,507,604,016 |
| Accrued expenses | 15,114,131,685 | - | - | 15,114,131,685 |
| | 2,045,080,226,508 | 225,460,508,797 | - | 2,270,540,735,305 |

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

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

a) Proceeds from borrowings during the year

| | Year 2020 | Year 2019 |
|------------------------------------|-------------------|-------------------|
| | VND | VND |
| Proceeds from ordinary contracts | 3,696,008,324,811 | 4,469,310,659,071 |
| Proceeds from ordinary bond issues | 210,059,405,718 | 90,638,658,337 |

b) Actual repayment on principal during the year

| | Year 2020 | Year 2019 |
|---|-------------------|-------------------|
| | VND | VND |
| Repayment of Principal under a regular contract | 3,915,611,528,292 | 3,964,236,219,831 |
| Realised exchange gain | 443,595,375 | 149,121,099 |
| Repayment of Principal Regular bond | 74,588,000,003 | 10,800,000,000 |

42. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

43. SEGMENT REPORTING

| Under business fields | Stone business | Wood business | Real estate | Trading and Other Services | Total from all segments | Elimination | Grand Total |
|--|--------------------------|--------------------------|------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| | VND | VND | VND | VND | VND | VND | VND |
| Net revenue from sales to external customers | 1,434,981,744,427 | 2,988,098,108,085 | - | 1,178,156,917,185 | 5,601,236,769,697 | - | 5,601,236,769,697 |
| - Domestic | 940,492,738,458 | 327,526,742,119 | - | 1,178,156,917,185 | 2,446,176,397,762 | - | 2,446,176,397,762 |
| - Export | 494,489,005,969 | 2,660,571,365,966 | - | - | 3,155,060,371,935 | - | 3,155,060,371,935 |
| Cost of goods sold | 1,013,678,720,533 | 2,314,123,951,588 | - | 1,132,544,751,601 | 4,460,347,423,722 | - | 4,460,347,423,722 |
| Net profit from business activities | 421,303,023,894 | 673,974,156,497 | - | 45,612,165,584 | 1,140,889,345,975 | - | 1,140,889,345,975 |
| Total cost of acquisition of fixed assets | 216,611,531,968 | 112,407,864,938 | - | 3,909,065,555 | 332,928,462,461 | - | 332,928,462,461 |
| Segment assets | 1,190,350,751,457 | 3,068,685,166,021 | 552,449,509,856 | 115,072,401,211 | 4,926,557,828,545 | (167,241,382,681) | 4,759,316,445,864 |
| Assets not allocated | - | - | - | - | 14,440,912,268 | - | 14,440,912,268 |
| Total assets | 1,190,350,751,457 | 3,068,685,166,021 | 552,449,509,856 | 115,072,401,211 | 4,940,998,740,813 | (167,241,382,681) | 4,773,757,358,132 |
| Segment liabilities | 321,279,571,829 | 2,212,435,904,477 | 392,852,386,355 | 22,425,613,876 | 2,948,993,476,537 | (167,241,382,681) | 2,781,752,093,856 |
| Liabilities are not allocated | - | - | - | - | 1,379,919,620 | - | 1,379,919,620 |
| Total liabilities | 321,279,571,829 | 2,212,435,904,477 | 392,852,386,355 | 22,425,613,876 | 2,950,373,396,157 | (167,241,382,681) | 2,783,132,013,476 |

Consolidated Financial Statements
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

44. TRANSACTION AND BALANCES WITH RELATED PARTIES

Remuneration, salaries and other income of the members of the Board of Directors, General Director and other managers:

| First and last name | Position | Year 2020 | Year 2019 |
|---------------------------|--|---------------|---------------|
| | | VND | VND |
| - Mr.Le Vy | Chairman of the board | 1,411,700,000 | 1,220,710,000 |
| - Mr.Le Van Thao | Vice Chairman of the Board of Directors cum General | 1,475,249,805 | 1,107,784,000 |
| - Mr.Phan Quoc Hoai | Member of the Board of Directors cum Deputy General Director | 845,485,042 | 731,631,650 |
| - Mr.Tran Thanh Cung | Member of the Board of Directors cum Deputy General Director | 738,086,172 | 630,875,120 |
| - Mr.Nguyen Sy Hoe | Member of the Board of Directors cum Deputy General Director | 939,575,009 | 899,379,438 |
| - Mr.Le Van Loc | Member of the Board of Directors | 758,004,248 | 564,541,682 |
| - Mr.Do Xuan Lap | Member of the Board of Directors | 141,540,672 | 131,231,650 |
| - Mr.Tran Huu Duc | Member of the Board of Directors | 141,540,672 | 131,231,650 |
| - Mrs. Nguyen Thi My Loan | Chief accountant | 625,829,840 | 485,599,000 |

45. COMPARATIVE FIGURES

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

The Company decided to reclassify some items of the Consolidated Financial Statements for the fiscal year ended December 31, 2019 in order to compare with this year's figures, specifically:

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2020

| Under geographical areas | Phu Yen | | Binh Dinh | | Dong Nai | | Ho Chi Minh City | | Da Nang | | Exclusion | | Grand Total | |
|--|-----------------|--|-------------------|--|-------------------|--|------------------|--|-----------------|--|-------------------|--|-------------------|--|
| | VND | | VND | | VND | | VND | | VND | | VND | | VND | |
| Net revenue from sales to external customers | 140,010,488,858 | | 3,561,807,664,995 | | 1,033,200,354,516 | | 389,670,538,391 | | 753,053,516,743 | | (276,505,793,806) | | 5,601,236,769,697 | |
| - Domestic | 140,010,488,858 | | 1,431,124,329,862 | | 8,823,317,714 | | 389,670,538,391 | | 753,053,516,743 | | (276,505,793,806) | | 2,446,176,397,762 | |
| - Export | - | | 2,130,683,335,133 | | 1,024,377,036,802 | | - | | - | | - | | 3,155,060,371,935 | |
| Total cost of acquisition of fixed assets | 12,396,555,280 | | 256,700,744,119 | | 46,599,147,623 | | 15,332,101,429 | | 1,899,914,010 | | - | | 332,928,462,461 | |
| Segment assets | 156,184,546,814 | | 4,141,951,288,438 | | 589,628,775,007 | | 277,624,251,364 | | 79,632,304,532 | | (485,704,720,291) | | 4,759,316,445,864 | |
| Assets not allocated | - | | 14,440,912,268 | | - | | - | | - | | - | | 14,440,912,268 | |
| Total assets | 156,184,546,814 | | 4,156,392,200,706 | | 589,628,775,007 | | 277,624,251,364 | | 79,632,304,532 | | (485,704,720,291) | | 4,773,757,358,132 | |
| Segment liabilities | 78,885,811,812 | | 2,559,035,951,074 | | 404,097,313,503 | | 211,681,761,131 | | 13,821,867,994 | | (485,704,720,291) | | 2,781,817,985,223 | |
| Liabilities are not allocated | - | | 1,379,919,620 | | - | | - | | - | | - | | 1,379,919,620 | |
| Total liabilities | 78,885,811,812 | | 2,560,415,870,694 | | 404,097,313,503 | | 211,681,761,131 | | 13,821,867,994 | | (485,704,720,291) | | 2,783,197,904,843 | |

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

Phu Tai Joint Stock Company
No. 278 Nguyen Thi Dinh - Quy Nhon City - Binh Dinh Province For the fiscal year ended as at 31 December 2020

Consolidated Financial Statements

| | Code | Figures in financial statements of the VND | Re-adjust VND | Difference | Note |
|--|------|--|-------------------|------------------|------|
| a/ Consolidated interim statement of financial position | | | | | |
| - Short-term borrowings and finance lease | 320 | 1,519,416,149,287 | 1,568,696,574,136 | 49,280,424,849 | (1) |
| - long-term borrowings and finance lease liabilities | 338 | 270,502,850,317 | 221,222,425,468 | (49,280,424,849) | (1) |
| b) Income Statement | | | | | |
| - Cost of goods sold | 11 | 4,517,926,967,318 | 4,458,429,874,592 | (59,497,092,726) | (2) |
| - Selling expenses | 25 | 223,622,983,369 | 283,120,076,095 | 59,497,092,726 | (2) |
| c) Notes to the financial statements | | | | | |
| - Notes 10 - Inventories | | | | | |
| Work in progress | | 617,341,372,622 | 533,018,530,609 | (84,322,842,013) | (3) |
| Finished goods | | 44,016,039,345 | 128,338,881,358 | 84,322,842,013 | (3) |
| - Notes 39 - Business and productions cost by items | | | | | |
| Labour expenses | | 444,603,537,862 | 447,196,993,196 | (2,593,455,334) | (4) |
| Depreciation expenses | | 186,373,789,240 | 186,390,286,240 | (16,497,000) | (4) |
| Expenses from outsourcing services | | 500,323,510,356 | 594,288,223,899 | (93,964,713,543) | (4) |
| Other expenses in cash | | 52,013,410,831 | 52,737,924,372 | (724,513,541) | (4) |

(1) The Company reclassified Long-term borrowings which come due according to the Bank's repayment schedule.

(2) Reclassification Cost of packaging materials for products at Thang Loi Enterprise in previous year is recorded into Selling expenses instead of in cost of goods sold.

(3) Product classification of the orders with the completed packaging at Thang Loi Enterprise last year was recorded in Work in progress.

(4) The Company presented production and business costs of Phu Tai Luxury Apartment Project at Phu Tai Real Estate One Member Limited Company.

Preparer

Vo Phuong Thao

Chief Accountant

Nguyen Thi My Loan

Binh Dinh, 26 March 2021

General Director

M.S.D.N: 4100253
CÔNG TY CỔ PHẦN PHÚ TÀI
TỈNH BÌNH ĐỊNH
K.T. TỔNG GIÁM ĐỐC
PHÓ TỔNG GIÁM ĐỐC
PHAN QUỐC HOÀI

JOINT STOCK COMPANY

PHU TAI



CONFIRMATION OF THE COMPANY'S LEGAL REPRESENTATIVE
CHAIRMAN OF BOD

LE VY