

**CFM INVESTMENT  
JOINT STOCK COMPANY**

Reviewed Financial Statements  
for the period from January 01, 2020  
to June 30, 2020



## TABLE OF CONTENT

|   | Page    |
|---|---------|
| REPORT OF BOARD OF MANAGEMENT                     | 2 - 3   |
| REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION | 4 - 5   |
| BALANCE SHEET                                     | 6 - 7   |
| INCOME STATEMENT                                  | 8       |
| CASH FLOW STATEMENT                               | 9 - 10  |
| NOTES TO THE FINANCIAL STATEMENTS                 | 11 - 24 |

## **CFM INVESTMENT JOINT STOCK COMPANY**

Address: A2-6-02, An Binh City, Exchange City urban area, Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

## **REPORT OF BOARD OF MANAGEMENT**

The Board of Management of CFM Investment Joint Stock Company (hereinafter referred to as "the Company") presents its report together with the reviewed Financial Statements for the period from January 01, 2020 to June 30, 2020.

### **CORPORATE INFORMATION**

CFM Investment Joint Stock Company (referred to as "the Company") is an enterprise established in Vietnam under the Business Registration Certificate No. 0107952805 dated August 7, 2017 issued by Hanoi Department of Planning and Investment. During the operation, changes of the head office address of the Company, the legal representative were approved in the Business Registration Certificate from the first to the sixth time on September 15, 2020.

According to the 6th amendment registration certificate dated September 15, 2020, the charter capital of the Company is VND 20,000,000,000.

The main business lines of the Company include: Providing training services, business development consulting, and trade promotion for small and medium project owners who want to start a business or expand their business; purchasing the copyright of training content of experts, then licensing other experts and trainers who want to enter the training market that the company is exploiting, etc. In addition, the Company has no significant activity other than the registered business function.

The company's head office is located at 2nd floor Commercial Space (A2-6-02), An Binh 2 Star Project (An Binh City), Exchange City Urban Area, Pham Van Dong Street, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi. Training facility address: Apartment No.3505, CT2 - Building, Eco - Green City commercial, supermarket, office and housing for sale complex, Tan Trieu Commune, Thanh Tri District, Hanoi.

### **BOARD OF DIRECTORS**

Members of the Board of Directors during the period and at the date of this report are:

- |                        |                   |
|------------------------|-------------------|
| - Mr Nguyen Quoc Trung | Chairman          |
| - Ms Tran Thuy Linh    | Deputy Chairwoman |
| - Mr Vu Ngoc Thuan     | Member            |

### **BOARD OF MANAGEMENT**

Members of the Board of Management have managed the Company's operations during the period and at the date of this report are:

- |                     |          |
|---------------------|----------|
| - Ms Tran Thuy Linh | Director |
|---------------------|----------|

### **LEGAL REPRESENTATIVE**

The legal representative of the Company during the period and at the date of this report is Ms. Tran Thuy Linh - Director

### **AUDITOR**

BDO Audit Services Co., Ltd reviewed the financial statements for the period from January 01, 2020 to June 30, 2020 of the Company.

### **BOARD OF MANAGEMENT' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Board of Management is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company as at June 30, 2020 and of the results of its operation and its cash flows for the period from January 01, 2020 to June 30, 2020 and confirms that there are no contingent events that might affect the going concern of the Company.

**CFM INVESTMENT JOINT STOCK COMPANY**

Address: A2-6-02, An Binh City, Exchange City urban area, Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

**REPORT OF BOARD OF MANAGEMENT** *(continued)*

In preparing those financial statements, Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State where applicable accounting standards have been followed, material misstatements (if any) that have been disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business;
- Establish and implement the internal control system effectively for preparing financial statements to minimize fraud and risks.

Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and ensuring that the accompanying financial statements comply with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and prevailing legal regulations.

Board of Management is also responsible for safeguarding assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

According to the Board of Management of the Company, the reviewed accompanying financial statements give a true and fair view of the financial position of the Company as at June 30, 2020 and of the results of its operations and its cash flows for the period from January 01, 2020 to June 30, 2020.

*Hanoi, September 28, 2020*

On behalf of the Board of Management,

  
\_\_\_\_\_

**Director**

**Tran Thuy Linh**





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Vietnam

No: ~~324~~/2020/BCSX-BDO

Hanoi, September 28, 2020

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

*Financial Statements of CFM Investment Joint Stock Company  
for the period from January 01, 2020 to June 30, 2020*

**To: SHAREHOLDERS, BOARD OF DIRECTORS AND BOARD OF MANAGEMENT  
CFM INVESTMENT JOINT STOCK COMPANY**

We have reviewed the accompanying financial statements of CFM Investment Joint Stock Company (hereinafter referred to as "the Company"), as prepared on September 28, 2020 set out on page 06 to 24 including Balance Sheet as of June 30, 2020, Income Statement and Cash Flow Statement for the period from January 01, 2020 to June 30, 2020 and Notes to the Financial Statements.

### **Board of Management' responsibilities**

Board of Management of the Company is responsible for the preparation and fair presentation of the Company's interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and other relevant legal regulations to the preparation and presentation of financial statements, and for such internal control as Board of Management determines is necessary to enable the presentation of financial statements are free from material misstatements, whether due to fraud or errors.

### **Auditor's Responsibilities**

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope of than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Auditor's conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of financial position of the Company as of June 30, 2020, as well as the results of its operations and its cash flows for the period from January 01, 2020 to June 30, 2020 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and other prevailing legal regulations on the preparation and presentation of interim financial statements.



#### Other matters

Comparative figures are those of the interim financial statements of CFM Investment Joint Stock Company for the six-month operation period ending June 30, 2019, audited by Deloitte Vietnam Company Limited, Audit Report No. 0399/ VN1A-HN-BC dated September 30, 2019 was issued by Deloitte Vietnam Co., Ltd with unqualified audit opinion and the financial statements for the fiscal year ended on December 31, 2019 were audited by BDO Audit Services Co., Ltd.

**BDO AUDIT SERVICES COMPANY LIMITED**



**Bui Văn Vương - Deputy General Director**

*Audit Practising Registration Certificate No. 0780-2018-038-1*

## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,

For the period from January 01, 2020 to June 30, 2020

Pham Van Dong, Co Nhue 1, Bac Tu Lien, Hanoi

## BALANCE SHEET

As at June 30, 2020

Unit: VND

| ASSETS   | Code       | Note       | Closing balance       | Opening balance       |
|--|------------|------------|-----------------------|-----------------------|
| <b>A - CURRENT ASSETS</b>                                  | <b>100</b> |            | <b>7,129,650,921</b>  | <b>13,616,613,063</b> |
| <b>I. Cash and cash equivalents</b>                        | <b>110</b> | <b>V.1</b> | <b>5,633,185,683</b>  | <b>12,087,635,805</b> |
| 1. Cash  | 111        |            | 5,633,185,683         | 2,087,635,805         |
| 2. Cash equivalents  | 112        |            | -                     | 10,000,000,000        |
| <b>II. Current financial investments</b>                   | <b>120</b> |            | <b>-</b>              | <b>-</b>              |
| 1. Trading securities                                      | 121        |            | -                     | -                     |
| 2. Provision for diminution in value of trading securities | 122        |            | -                     | -                     |
| <b>III. Current receivables</b>                            | <b>130</b> |            | <b>1,332,268,157</b>  | <b>1,287,319,189</b>  |
| 1. Current trade reicevables                               | 131        |            | -                     | -                     |
| 2. Current advances to suppliers                           | 132        | V.4        | 7,918,157             | 33,809,600            |
| 3. Current loan receivables                                | 135        | V.2        | 1,250,000,000         | 1,200,000,000         |
| 4. Other current receivables                               | 136        | V.5        | 74,350,000            | 53,509,589            |
| <b>IV. Inventories</b>                                     | <b>140</b> |            | <b>42,973,659</b>     | <b>-</b>              |
| 1. Inventories   | 141        |            | 42,973,659            | -                     |
| <b>V. Other current assets</b>                             | <b>150</b> |            | <b>121,223,422</b>    | <b>241,658,069</b>    |
| 1. Current prepaid expenses                                | 151        | V.6        | 21,983,631            | 70,853,366            |
| 2. Value - added tax deductible                            | 152        |            | 99,239,791            | 170,804,703           |
| <b>B - NON-CURRENT ASSETS</b>                              | <b>200</b> |            | <b>13,260,886,819</b> | <b>7,007,001,908</b>  |
| <b>I. Non-current receivables</b>                          | <b>210</b> |            | <b>-</b>              | <b>-</b>              |
| 1. Non-current trade receivables                           | 216        |            | -                     | -                     |
| <b>II. Fixed assets</b>                                    | <b>220</b> |            | <b>5,546,526,554</b>  | <b>5,747,326,832</b>  |
| 1. Tangible fixed assets                                   | 221        | V.7        | 5,546,526,554         | 5,747,326,832         |
| <i>Historical cost</i>                                     | 222        |            | 6,077,676,091         | 6,077,676,091         |
| <i>Accumulated depreciation</i>                            | 223        |            | (531,149,537)         | (330,349,259)         |
| <b>III. Investment properties</b>                          | <b>230</b> | <b>V.8</b> | <b>3,995,333,333</b>  | <b>-</b>              |
| <i>Historical cost</i>                                     | 231        |            | 4,000,000,000         | -                     |
| <i>Accumulated depreciation</i>                            | 232        |            | (4,666,667)           | -                     |
| <b>IV. Non-current work in progress</b>                    | <b>240</b> |            | <b>2,500,000,000</b>  | <b>830,000,000</b>    |
| 1. Construction in progress                                | 242        | V.9        | 2,500,000,000         | 830,000,000           |
| <b>V. Non-current financial investments</b>                | <b>250</b> |            | <b>452,500,000</b>    | <b>402,500,000</b>    |
| 1. Investments in other entities                           | 253        | V.3        | 452,500,000           | 402,500,000           |
| <b>VI. Other non-current assets</b>                        | <b>260</b> |            | <b>766,526,932</b>    | <b>27,175,076</b>     |
| 1. Non-current prepaid expenses                            | 261        | V.6        | 766,526,932           | 27,175,076            |
| <b>TOTAL ASSETS</b>  | <b>270</b> |            | <b>20,390,537,740</b> | <b>20,623,614,971</b> |

These Financial Statements should be read in conjunction with the Notes to the Financial Statements



## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,

For the period from January 01, 2020 to June 30, 2020

Pham Van Dong, Co Nhue 1, Bac Tu Lien, Hanoi

**BALANCE SHEET (continued)**

As at June 30, 2020

Unit: VND

| RESOURCES   | Code       | Note        | Closing balance       | Opening balance       |
|---|------------|-------------|-----------------------|-----------------------|
| <b>C - LIABILITIES</b>  | <b>300</b> |             | <b>1,023,251,049</b>  | <b>1,212,672,389</b>  |
| <b>I. Current liabilities</b>                                   | <b>310</b> |             | <b>448,681,608</b>    | <b>554,019,614</b>    |
| 1. Current trade payables                                       | 311        |             | 5,700,000             | 1,650,000             |
| 2. Current advances from customers                              | 312        | V.10        | 81,400,000            | 132,000,000           |
| 3. Statutory obligations  | 313        | V.11        | 13,903,875            | 33,356,001            |
| 4. Payables to employees  | 314        |             | 45,119,250            | 52,176,364            |
| 5. Current accrued expenses                                     | 315        |             | 990,315               | 930,581               |
| 6. Other current payables                                       | 319        | V.12        | 118,401,500           | 155,740,000           |
| 7. Current loans and lease liabilities                          | 320        | V.13        | 168,166,668           | 168,166,668           |
| 8. Provision for current payables                               | 321        |             | 15,000,000            | 10,000,000            |
| <b>II. Non-current liabilities</b>                              | <b>330</b> |             | <b>574,569,441</b>    | <b>658,652,775</b>    |
| 1. Non-current loans and lease liabilities                      | 338        | V.13        | 574,569,441           | 658,652,775           |
| <b>D - OWNERS' EQUITY</b>                                       | <b>400</b> |             | <b>19,367,286,691</b> | <b>19,410,942,582</b> |
| <b>I. Owners' equity</b>  | <b>410</b> | <b>V.14</b> | <b>19,367,286,691</b> | <b>19,410,942,582</b> |
| 1. Contributed capital  | 411        |             | 20,000,000,000        | 20,000,000,000        |
| - Common shares with voting rights                              | 411a       |             | 20,000,000,000        | 20,000,000,000        |
| - Preferred shares  | 411b       |             | -                     | -                     |
| 2. Retained earnings  | 421        |             | (632,713,309)         | (589,057,418)         |
| - Accumulated retained earnings by the end of the previous year | 421a       |             | (589,057,418)         | (117,004,445)         |
| - Retained earnings of the current period                       | 421b       |             | (43,655,891)          | (472,052,973)         |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>                     | <b>440</b> |             | <b>20,390,537,740</b> | <b>20,623,614,971</b> |

Preparer

Chief Accountant

Director

Prepared on September 28, 2020



Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh



## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,  
Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

For the period from January 01, 2020 to June 30, 2020

## INCOME STATEMENT

Period from January 01, 2020 to June 30, 2020

Unit: VND

| ITEMS  | Code     | Note | Current period           | Previous period            |
|--|----------|------|--------------------------|----------------------------|
| 1. Revenue from sale of goods and rendering of services      | 01       | VI.1 | 961,000,000              | 1,142,245,453              |
| 2. Revenue deductions  | 02       |      | -                        | -                          |
| 3. Net revenue from sale of goods and rendering of services  | 10       |      | 961,000,000              | 1,142,245,453              |
| 4. Cost of goods sold and service rendered                   | 11       | VI.2 | 436,173,325              | 859,638,431                |
| 5. Gross profit from sale of goods and rendering of services | 20       |      | 524,826,675              | 282,607,022                |
| 6. Financial incomes   | 21       | VI.3 | 339,260,991              | 437,991,277                |
| 7. Financial expenses<br><i>In which: interest expenses</i>  | 22<br>23 | VI.4 | 49,292,136<br>49,292,136 | 290,176,743<br>158,926,743 |
| 8. Selling expenses  | 25       |      | -                        | -                          |
| 9. General and administrative expenses                       | 26       | VI.5 | 853,451,555              | 718,984,387                |
| 10. Net profit from operating activities                     | 30       |      | (38,656,025)             | (288,562,831)              |
| 11. Other income   | 31       |      | 134                      | -                          |
| 12. Other expenses   | 32       |      | 5,000,000                | 10,000,000                 |
| 13. Other profit   | 40       |      | (4,999,866)              | (10,000,000)               |
| 14. Profit before tax  | 50       |      | (43,655,891)             | (298,562,831)              |
| 15. Current corporate income tax expense                     | 51       | VI.6 | -                        | -                          |
| 16. Deferred corporate income tax expense                    | 52       |      | -                        | -                          |
| 17. Profit after corporate rate income tax                   | 60       |      | (43,655,891)             | (298,562,831)              |
| 18. Diluted earnings per share                               | 70       | VI.7 | (43,655,891)             | (298,562,831)              |
|  |          |      | (477)                    |                            |

Preparer

Chief Accountant




Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh



Prepared on September 28, 2020

## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,  
Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

For the period from January 01, 2020 to June 30, 2020

## CASH FLOWS STATEMENT

(Indirect method)

Period from January 01, 2020 to June 30, 2020

Unit: VND

| ITEMS  | Code | Note | Current period  | Previous period  |
|--|------|------|-----------------|------------------|
| <b>I. Cash flows from operating activities</b>   |      |      |                 |                  |
| 1. <i>Profit before tax</i>  | 01   |      | (43,655,891)    | (298,562,831)    |
| 2. <i>Adjustments for</i>  |      |      |                 |                  |
| - Depreciation of fixed assets and investment properties   | 02   |      | 205,466,945     | 110,064,935      |
| - Provisions   | 03   |      | 5,000,000       | 141,250,000      |
| - Foreign exchange (gains)/losses from revaluation of monetary items denominated in foreign currencies | 04   |      | -               | -                |
| - Gains/ (losses) from investing activities  | 05   |      | (339,260,991)   | (437,991,277)    |
| - Interest expenses  | 06   |      | 49,292,136      | 158,926,743      |
| - Other adjustments  | 07   |      | -               | -                |
| 3. <i>Operating profit before changes in working capital</i>   | 08   |      | (123,157,801)   | (326,312,430)    |
| - (Increase)/ decrease in receivables  | 09   |      | 109,456,355     | 934,468,325      |
| - (Increase)/ decrease in inventories  | 10   |      | (42,973,659)    | 23,822,727       |
| - Increase/(decrease) in payables  | 11   |      | (110,397,740)   | 455,608,423      |
| - (Increase)/ decrease in prepaid expenses   | 12   |      | 139,517,879     | (55,222,121)     |
| - (Increase)/ decrease in trading securities   | 13   |      | -               | (2,010,000,000)  |
| - Interest paid  | 14   |      | (49,232,402)    | (38,903,196)     |
| - Corporate income tax paid  | 15   |      | -               | -                |
| - Other receipts from operating activities   | 16   |      | -               | -                |
| - Other payments for operating activities  | 17   |      | -               | -                |
| <i>Net cash flows from operating activities</i>  | 20   |      | (76,787,368)    | (1,016,538,272)  |
| <b>II. Cash flows from investing activities</b>  |      |      |                 |                  |
| 1. Acquisition of fixed assets and other non-current assets  | 21   |      | (6,500,000,000) | -                |
| 2. Proceeds from disposal of fixed assets and other non-current assets                                 | 22   |      | -               | -                |
| 3. Loans to other entities and payments for purchase of debt instruments of other entities             | 23   |      | (8,650,000,000) | (18,685,000,000) |
| 4. Collections from borrowers and proceeds from sale of debt instruments of other entities             | 24   |      | 8,600,000,000   | -                |
| 5. Payments for investments in other entities  | 25   |      | (50,000,000)    | (750,000,000)    |
| 6. Proceeds from sale of investments in other entities   | 26   |      | -               | -                |
| 7. Interests, dividends and distributed profit received  | 27   |      | 306,420,580     | 78,304,112       |
| <i>Net cash flows from investing activities</i>  | 30   |      | (6,293,579,420) | (19,356,695,888) |

## CFM INVESTMENT JOINT STOCK COMPANY

Address: A2-6-02, An Binh City, Exchange City urban area,  
Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

## Financial Statements

For the period from January 01, 2020 to June 30, 2020

**CASH FLOWS STATEMENT** *(continued)*

(Indirect method)

Period from January 01, 2020 to June 30, 2020

| ITEMS   | Code      | Note | Current period      | Previous period       |
|---|-----------|------|---------------------|-----------------------|
| <b>III. Cash flows from financing activities</b>                  |           |      |                     |                       |
| 1. Proceeds from issuing shares, capital contribution             | 31        |      | -                   | 18,300,000,000        |
| 2. Returns of equity to shareholders, repurchase of issued shares | 32        |      | -                   | -                     |
| 3. Drawdown of borrowings   | 33        |      | -                   | 5,300,000,000         |
| 4. Repayment of borrowings  | 34        |      | (84,083,334)        | (128,333,334)         |
| 5. Repayments of lease liabilities                                | 35        |      | -                   | -                     |
| 6. Dividends, profits paid to shareholders                        | 36        |      | -                   | -                     |
| <i>Net cash flows from financing activities</i>                   | <i>40</i> |      | <i>(84,083,334)</i> | <i>23,471,666,666</i> |
| Net cash flows during the period                                  | 50        |      | (6,454,450,122)     | 3,098,432,506         |
| Cash and cash equivalents at the beginning of the period          | 60        | V.1  | 12,087,635,805      | 69,540,199            |
| The impact of foreign exchange rate changes                       | 61        |      | -                   | -                     |
| Cash and cash equivalents at the end of the period                | 70        | V.1  | 5,633,185,683       | 3,167,972,705         |

Preparer



Tran Thanh Huong

Chief Accountant



Luong Thi Nhi Ha

Director



Prepared on September 28, 2020

Tran Thuy Linh



## **NOTES TO THE FINANCIAL STATEMENTS**

Period from January 01, 2020 to June 30, 2020

### **I. CORPORATE INFORMATION**

#### **1. Ownership structure**

CFM Investment Joint Stock Company (referred to as "the Company") is an enterprise established in Vietnam under the Business Registration Certificate No. 0107952805 dated August 7, 2017 issued by Hanoi Department of Planning and Investment. During the operation, changes of the head office address of the Company, the legal representative were approved in the Business Registration Certificate from the first to the sixth time on September 15, 2020.

According to the 6th amendment registration certificate dated September 15, 2020, the charter capital of the Company is VND 20,000,000,000.

#### **2. Business industries**

- Providing training services, business development consulting, and trade promotion for small and medium project owners who want to start a business or expand their business;
- Purchasing the copyright of training content of experts, then licensing other experts and trainers who want to enter the training market that the company is exploiting.

#### **3. Business activities**

The main business lines of the Company include: Providing training services, business development consulting, and trade promotion for small and medium project owners who want to start a business or expand their business; purchasing the copyright of training content of experts, then licensing other experts and trainers who want to enter the training market that the company is exploiting, etc. In addition, the Company has no significant activity other than the registered business function.

#### **4. Normal course of business cycle**

The normal course of business cycle of the Company is not over 12 months,

#### **5. Organization structure**

The company's head office is located at 2nd floor Commercial Space (A2-6-02), An Binh 2 Star Project (An Binh City), Exchange City Urban Area, Pham Van Dong Street, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi. The Company does not have any dependent accounting units, subsidiaries, joint ventures or associates.

#### **6. Employees**

The total number of the Company's employees as of June 30, 2020 was 6 people (As at December 31, 2019 was 4 people).

#### **7. Declaration on comparative information in Financial Statements**

Comparative figures are those of Financial Statements for the year ended December 31, 2019 audited by BDO Audit Services Co., Ltd and Financial Statements for the period from January 01, 2020 to June 30, 2020 audited by Deloitte Vietnam Co., Ltd.

## **II. ACCOUNTING PERIOD, ACCOUNTING CURRENCY**

- 1. Fiscal year:** The Company's fiscal year starts on January 01 and ends on December 31 of the calendar year.

- 2. Accounting currency**

The Company maintains its accounting records in Vietnam dong (VND).



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

**III. APPLIED ACCOUNTING STANDARDS AND FRAMEWORK****I. Applied accounting framework**

The Company applies Vietnamese Enterprise Accounting System issued accompanying with Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance and Circular 53/2016/TT-BTC dated 21 March 2016.

Financial Statements are prepared at cost in accordance with Vietnamese Accounting Standards. The Accompanying Financial Statements do not represent financial position, operation results and cash flows in accordance with accounting principles and practices generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam.

**2. Declaration of compliance with the Accounting Standards and Accounting Regime**

The Board of Directors ensures that the financial statements have been prepared and presented in accordance with the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant guidance documents to the preparation and presentation of financial statements.

**IV. ACCOUNTING POLICIES****1. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposit and time deposit (less than three months), cash in transit and short-term investments with maturity of less than three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnam Accounting Standard No. 24 "Cash Flow Statement".

**2. Financial investments****a) Investment in equity instruments of other entities**

Book value: Investments in equity instruments of other entities are stated at cost.

Basis for setting up provision for investment in other entities:

- *For investments in listed stocks or fair value of investments that are reliably determined:* The provision is based on the market value of shares. At the end of the accounting year, the Company makes a provision for devaluation in case the market value of the shares falls below the original price.
- *For investments of which fair value cannot be determined at the time of reporting:* The basis for making provisions is the financial statements of the investee. Where the investee is the parent company, the basis for setting up the provision is its consolidated financial statement. Increase or decrease of balance of provision account is recorded as financial expense in the period.

**3. Receivables**

Trade receivables and other receivables are classified upon following principles:

- *Trade receivables* : comprise commercial receivables arising from purchase-sale transactions
- *Other receivables* : comprise non-commercial receivables that are not related to purchase - sale transactions (such as receivables from bank, loan interest).



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

***Receivables monitoring***

Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables. Receivables are not carried at more than their recoverable amount.

**4. Fixed assets and depreciation*****a) Tangible fixed assets***

Fixed assets are stated at historical cost less accumulated depreciation.

The historical cost of tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the tangible fixed assets into work condition for its intended use. The identification of the historical cost of each category of tangible fixed assets is in accordance with Vietnamese Accounting Standard No. 03 Tangible fixed assets.

Expenditures incurred after the initial recognition (costs of upgrading, renovation, maintenance and etc.) are recognized as operating expenses in the period. Where it can be clearly demonstrated that these expenses increase the expected future economic benefits of the use of fixed assets that exceed the standard operating level initially assessed, these expenses are capitalized as additional costs of the fixed asset.

When a tangible fixed asset is sold or disposed of, its historical cost and accumulated depreciation are removed from the balance sheet, and any gain or loss resulted from the disposal of the asset is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line method over their estimated useful life as follows:

| <u>Fixed assets</u>     | <u>Useful life</u> |
|-------------------------|--------------------|
| Means of transportation | 7 years            |
| Building and structures | 25 years           |

***Other regulations on management, use, depreciation of fixed assets***

Other regulations on management, use and depreciation of fixed assets are implemented by the Company in accordance with Circular 45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance and Circular No. 14/2016/TT-BTC dated October 13, 2016 of the Ministry of Finance amending and supplementing a number of articles of the Circular No. 45/2013/TT-BTC, Circular No. 28/2017/TT-BTC amending and supplementing a number

***b) Investment properties***

Investment property is property being land-use rights or a building - or part of a building - or both, infrastructure held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business

Investment property is stated at cost less accumulated depreciation

The cost of an investment property comprises all expenses (cash or cash equivalents) paid by the Company or the fair value of other amounts exchanged to acquire the investment property by the time of purchase or construction of the investment property.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

Costs incurred after initial recognition such as maintenance and repairs are charged to the income statement as incurred. In situations where can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of investment property beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of investment property.

Investment property is amortized on a straight-line basis over its estimated useful life as follows:

| <u>Investment property</u> | <u>Useful life</u> |
|----------------------------|--------------------|
| Housing                    | 50 years           |

The Company does not depreciate investment property held for sale. Where there is certain evidence that the investment property devalues against the market value and the impairment is determined reliably, the Company will assess the impairment of the investment property and recognizes the losses in the cost of goods sold in the period.

The transfer from owner-occupied property to investment property or from investment property to owner-occupied property or inventories is made when and only when there is a change in use. Such conversion does not change the carrying value of the transferred asset and does not change the cost of the property in determining its value or in preparing the financial statements.

**5. Tax****a) Current corporate income tax**

Current income tax is calculated based on taxable income and tax rate in the current year (20%).

**b) Other taxes**

Other taxes follows prevailing regulations of Vietnam.

The Company's tax report will be subject to inspection by the local tax authorities. Because the application of laws and regulations on taxes on different types of transactions can be interpreted in different ways, the tax amounts are presented on the financial statements can be changed at the last decision of the tax authorities.

**6. Prepaid expenses**

Prepaid expenses are expenses which have actually incurred yet are related to operational outputs of many accounting periods and the transfer of these expenses to operating expenses of subsequent accounting periods.

Prepayments are amortized on a straight-line basis, including:

| <u>Prepaid expenses</u>   | <u>Amortization period</u> |
|---|----------------------------|
| Tools and supplies  | 12 - 24 months             |
| Expenses for repair, design, and construction of office furniture | 36 months                  |
| Other prepaid expenses  | 12 - 24 months             |

Prepaid expense incurred shall be recorded in details of maturity. As at the reporting date, prepaid expenses that have maturity of less than 12 months or a business cycle since the date of prepayment are classified as short-term prepaid expenses, expenses that have maturity of over 12 months or a business cycle since the date of prepayment are classified as long-term prepaid expenses.

**7. Payables**

The classification of payables as trade payables and other payables follows the following principles:

- *Trade payables*: include commercial payables arisen from purchases of goods, services or assets.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

- *Other payables*: Including non-commercial payables, not related to the transactions of buying, selling, providing goods and services.

***Payables monitoring***

Payables shall be specially recorded to original terms and remaining terms as at the reporting date, original currencies and each object. At the end of the reporting period, payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

Liabilities are not carried less than amount to be paid.

**8. Loans and lease liabilities**

Loans and lease liabilities are recorded in details of entity, term, original currency. At the end of the reporting period, finance lease loans and liabilities due in 12 months or a business cycle are classified as current loans and lease liabilities, whereas finance lease loans liabilities due in more than 12 months or a business cycle are classified as non-current loans and lease liabilities.

**9. Borrowing costs*****Recognition of borrowing costs***

Borrowing costs include interest expenses and expenses directly related to the loan (such as costs of evaluation, audit, borrowing file preparation ...).

Borrowing costs are recognized in financial expenses in the period (except for capitalization as required by Vietnamese Accounting Standard 16 "Borrowing costs").

**10. Accrued expenses**

Accrued expenses are those already recorded in operating expenses in the year but not actually paid at the end of year to ensure the matching between revenue and expenses. Accrued expenses are recognized upon fair estimate of payments on used goods, services including interest expenses.

***Basis of determining accrued expenses***

- *Accrued interest in case of deferred interest payment*: Based on principal balance, term and applicable interest rate.

**11. Provision for payables**

Provisions are recognized when the Company has a present obligation (legal or related liability) as a result of an event that has occurred; there is a diminution in the potential economic benefits that result in the demand for repayment of the debt; and provide a reliable estimate of the value of the obligation. Provisions are recognized in accordance with the conditions set out in Accounting Standard No. 18 "Provisions, contingent assets and liabilities".

***Method of recognizing provisions to be paid***

Provisions are required to be made (or reversed) in the amount of the difference between the amount of provision required to be made this year and the amount of previously unused provision that was write in accounting books.

***Basis for setting up provisions to be paid***

Provision for administrative penalty payable due to late contribution of charter capital: base on provisions of law.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

**12. Owner's equity****a) Recognition of contributed capital***Contributed capital* reflects actual contributions of shareholders.**b) Retained earnings**

Retained earnings reflects operation results (profit, loss) after Corporate Income Tax and profit distribution or loss settlement of the Company. Retained earnings are monitored in detail according to the operation results of each financial year (previous year, this year), and detailed tracking by each content of profit distribution (appropriation of funds, supplementing the owner's investment capital, distributing dividends, profits to shareholders, investors).

**13. Revenue****a) Revenue from services rendered**

Revenue from service provision transactions shall be recognized when the results of these transactions are determined in a reliable way. Where a service provision transaction relates to many periods, turnover shall be recognized in each period according to the results of the work volume finished on the date of making of such period's accounting balance sheet. The result of a service provision transaction shall be determined only when it satisfies all the four (4) conditions below:

- (i) Revenue is determined with relative certainty;
- (ii) It is possible to obtain economic benefits from the service provision transaction;
- (iii) The work volume finished on the date of making the accounting balance sheet can be determined
- (iv) The costs incurred from the service provision transaction and the costs of its completion can be determined.

**b) Financial income**

Financial incomes include: Bank, loan interest.

*Bank, loan interest:* Bank and loan interest is recorded on basis of maturity and interest rate unless the recovery of interest is uncertain.

**14. Cost of goods sold**

Cost of goods sold reflects the cost of goods or services and the costs provided in the period. Cost of goods sold is recognized on the principle of matching between sales and expenses.

There was no decrease in cost of goods sold during the year.

**15. Financial expenses**

Financial expenses include: interest expenses.

Interest expenses (including accruals) of the reporting period are fully recognized in the period.

**16. General administrative expenses**

*General administrative expenses:* represent overhead costs including salary expenses of business administrative employees (salary, wages, allowances, etc); social and health insurance, trade union fee, unemployment insurance of administrative staff; expenses of office materials, labor instruments, depreciation of fixed assets for administration, land rent, license tax; outsourced services (electricity, water, telephone, fax, assets insurance, fire and explosive accidents; other cash expenses (hospitality, customer conference, etc).

There was no reductions in administrative expenses during the year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

**17. Other accounting principles and methods****Construction in progress**

Construction in progress includes: Investment in capital construction, procurement and overhaul of incurred fixed assets (tangible and intangible fixed assets); expenses for renovation and upgrading of fixed assets.

**V. ADDITIONAL INFORMATION ABOUT ITEMS ON THE BALANCE SHEET"****1. Cash and cash equivalents**

|                                 | Closing balance | Opening balance |
|---------------------------------|-----------------|-----------------|
| Cash on hand                    | 25,418,093      | 1,630,544,083   |
| Cash at bank                    | 5,607,767,590   | 457,091,722     |
| Total                           | 5,633,185,683   | 2,087,635,805   |
| Cash equivalents (*)            | -               | 10,000,000,000  |
| Total cash and cash equivalents | 5,633,185,683   | 12,087,635,805  |

(\*) Cash equivalents include one-month deposit at BIDV at interest rate of 5%/ year.

**2. Loan receivables**

|                                   | Closing balance |           | Opening balance |               |
|-----------------------------------|-----------------|-----------|-----------------|---------------|
|                                   | Cost            | Provision | Fair value      |               |
| <b>Short-term loans</b>           |                 |           |                 |               |
| Thai Lan Paint Production JSC (i) | 1,200,000,000   | -         | 1,200,000,000   | 1,200,000,000 |
| Mr. Pham Anh Tuan (ii)            | 50,000,000      | -         | 50,000,000      | -             |
| Total                             | 1,250,000,000   | -         | 1,250,000,000   | 1,200,000,000 |

(i) Loan to Thai Lan Paint Production JSC is under contract number HDVV/ 20191031-01 with the amount of VND 1,200,000,000, the loan term is 5 months starting from October 31, 2019, interest rate of 1%/month and extended at Contract Appendix No. 01/ PLHD/ CFM-TL dated January 01,2020 where the loan maturity date is October 31, 2020.

(ii) Loans for Mr. Pham Anh Tuan is under loan contract No. 1205/ HDVT/ 2020/ CFM-PAT dated 12/05/2020 with the amount of VND 50,000,000, the loan term is 6 months from May 12, 2020 to November 12, 2020, interest rate of 3%/ month.

**3. Investment in other entities**

|   | Closing balance |           | Opening balance |             |
|---|-----------------|-----------|-----------------|-------------|
|   | Cost            | Provision | Fair value      |             |
| Thang Loi Real Estate Joint Stock Company | 402,500,000     | -         | 402,500,000     | 402,500,000 |
| CFM Lounge Vietnam Joint Stock Company    | 50,000,000      | -         | 50,000,000      | -           |
| Total                                     | 452,500,000     | -         | 452,500,000     | 402,500,000 |

At the time of preparing these Financial Statements, the financial statements of Thang Loi Real Estate Joint Stock Company were not available, so there was no information to evaluate the fair value of the investment.



## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,  
Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

For the period from January 01, 2020 to June 30, 2020

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Period from January 01, 2020 to June 30, 2020

|   |                       |                    |                 |                 |  |
|---|-----------------------|--------------------|-----------------|-----------------|--|
| <b>4. Advances to suppliers</b>                                     |                       |                    |                 |                 |  |
| <b>4.1 Current advances to suppliers</b>                            |                       |                    |                 |                 |  |
| Hong Lam Joint Stock Company  |                       | Closing balance    |                 | Opening balance |  |
| AAA Vietnam Investment and Trading Company Limited                  |                       | -                  | -               | 15,840,000      |  |
| IDMAX Joint Stock Company   |                       | -                  | -               | 7,050,000       |  |
| Others  |                       |                    |                 | 10,000,000      |  |
| Total   |                       | 7,918,157          |                 | 919,600         |  |
|   |                       | 7,918,157          |                 | 33,809,600      |  |
| <b>5. Other receivables</b>   |                       |                    |                 |                 |  |
| <b>5.1 Other current receivables</b>                                |                       |                    |                 |                 |  |
|   | Closing balance       | Provision          | Value           | Provision       |  |
| Deposit of office lease   | -                     | -                  | 12,000,000      | -               |  |
| Receivables from loan interest                                      | 48,950,000            | -                  | 16,109,589      | -               |  |
| Other receivables   | 25,400,000            | -                  | 25,400,000      | -               |  |
| Total   | 74,350,000            | -                  | 53,509,589      | -               |  |
| <b>6. Prepaid expenses</b>  |                       |                    |                 |                 |  |
| <b>6.1 Current prepaid expenses</b>                                 |                       |                    |                 |                 |  |
|   |                       | Closing balance    |                 | Opening balance |  |
| - Prepaid expenses on operating lease of fixed assets               |                       | -                  | -               | 24,281,528      |  |
| - Tools and supplies  |                       | 1,826,711          |                 | 1,151,112       |  |
| - Others  |                       | 20,156,920         |                 | 45,420,726      |  |
| Total   |                       | 21,983,631         |                 | 70,853,366      |  |
|   |                       |                    | Closing balance | Opening balance |  |
| <b>6.2 Non - current prepaid expenses</b>                           |                       |                    |                 |                 |  |
| - Expenses for repair, design, and construction of office furniture |                       | 691,666,670        |                 | -               |  |
| - Tools and supplies  |                       | 74,860,262         |                 | 27,175,076      |  |
| Total   |                       | 766,526,932        |                 | 27,175,076      |  |
| <b>7. Increase/decrease in tangible fixed assets</b>                |                       |                    |                 |                 |  |
|   | Buildings, structures | Means of transport |                 | Total           |  |
| Historical cost   |                       |                    |                 |                 |  |
| Opening balance   | 4,536,767,000         | 1,540,909,091      |                 | 6,077,676,091   |  |
| - New purchase  | -                     | -                  |                 | -               |  |
| - Disposal  | -                     | -                  |                 | -               |  |
| Closing balance   | 4,536,767,000         | 1,540,909,091      |                 | 6,077,676,091   |  |
| Accumulated depreciation  |                       |                    |                 |                 |  |
| Opening balance   | 76,588,434            | 253,760,825        |                 | 330,349,259     |  |
| - Depreciation in the period  | 90,735,342            | 110,064,936        |                 | 200,800,278     |  |
| - Disposal  | -                     | -                  |                 | -               |  |
| Closing balance   | 167,323,776           | 363,825,761        |                 | 531,149,537     |  |
| Carrying value  |                       |                    |                 |                 |  |
| Opening balance   | 4,460,178,566         | 1,287,148,266      |                 | 5,747,326,832   |  |
| Closing balance   | 4,369,443,224         | 1,177,083,330      |                 | 5,546,526,554   |  |

## In which:

Cost of fixed assets fully depreciated but still in use:

Cost of fixed assets in process of liquidation:

Carrying value of fixed assets used to secure loans:

0 đồng  
0 đồng  
1,177,083,330 đồng

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

**8. Increase, decrease in investment property****a) Property for lease**

|                             | <i>Opening<br/>balance</i> | <i>Increase in the<br/>year</i> | <i>Decrease in the<br/>year</i> | <i>Closing balance</i> |
|-----------------------------|----------------------------|---------------------------------|---------------------------------|------------------------|
| <b>Cost</b>                 |                            |                                 |                                 |                        |
| Housing and land use rights | -                          | 4,000,000,000                   | -                               | 4,000,000,000          |
| Accumulated depreciation    | -                          | 4,000,000,000                   | -                               | 4,000,000,000          |
| Housing and land use rights | -                          | 4,666,667                       | -                               | 4,666,667              |
| <b>Carrying value</b>       | -                          | 4,666,667                       | -                               | 4,666,667              |
| Housing and land use rights | -                          | 3,995,333,333                   | -                               | 3,995,333,333          |
|                             | -                          | 3,995,333,333                   | -                               | 3,995,333,333          |

*In which:**Carrying value of investment property used to secure loans:**0 dong**Cost of the investment property fully depreciated but still for lease**0 dong*

Investment property increased during the period is the commercial floor of A2 Building at An Binh City. The purchase transaction was complete on June 10, 2020, therefore, the fair value of this property has not been officially assessed and determined on June 30, 2020. However, based on the actual leasing market and the market value of other similar properties with the intention of earning a return through rental income, the Board of Management believes that the market value of the investment property is greater than the carrying value at this date.

**9. Construction in progress**

|   | <i>Closing balance</i> | <i>Opening balance</i> |
|---|------------------------|------------------------|
| Acquisition of fixed assets                                       | 2,500,000,000          | -                      |
| Expenses for repair, design, and construction of office furniture | -                      | 830,000,000            |
| <b>Total</b>  | <b>2,500,000,000</b>   | <b>830,000,000</b>     |

**10. Advances from customers****10.1 Current advances from customers**

|   | <i>Closing balance</i> | <i>Opening balance</i> |
|---|------------------------|------------------------|
| Bao Mai Anh Trading and Service Company Limited | 55,000,000             | -                      |
| Nguyen Tuan Tu                                  | -                      | 44,000,000             |
| Nguyen Bao Gia                                  | -                      | 44,000,000             |
| Tran Vu Doan                                    | -                      | 44,000,000             |
| Others  | 26,400,000             | -                      |
| <b>Total</b>                                    | <b>81,400,000</b>      | <b>132,000,000</b>     |

**11. Statutory obligations**

|                     | <i>Opening<br/>balance</i> | <i>Payable in the<br/>year</i> | <i>Paid amount in<br/>the year</i> | <i>Closing balance</i> |
|---------------------|----------------------------|--------------------------------|------------------------------------|------------------------|
| Personal Income Tax | 33,356,001                 | 29,067,786                     | 48,519,912                         | 13,903,875             |
| Others              | -                          | 5,000,000                      | 5,000,000                          | -                      |
| <b>Total</b>        | <b>33,356,001</b>          | <b>34,067,786</b>              | <b>53,519,912</b>                  | <b>13,903,875</b>      |



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

**12. Other payables****12.1 Other current payables**

|  | Closing balance    | Opening balance    |
|--|--------------------|--------------------|
| Short-term deposit and mortgage received | 100,000,000        | 100,000,000        |
| Nguyen Quoc Trung                        | 17,385,000         | 46,740,000         |
| Other payables                           | 1,016,500          | 9,000,000          |
| <b>Total</b>                             | <b>118,401,500</b> | <b>155,740,000</b> |

**13. Loans and lease liabilities****13.1 Current loans and lease liabilities**

|                            | Opening balance    |                    | In the period     |                   | Closing balance    |                    |
|----------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
|                            | Value              | Repayable value    | Increase          | Decrease          | Value              | Repayable value    |
| <b>Due long-term loans</b> | <b>168,166,668</b> | <b>168,166,668</b> | <b>84,083,334</b> | <b>84,083,334</b> | <b>168,166,668</b> | <b>168,166,668</b> |
| Commercial Joint (i)       | 168,166,668        | 168,166,668        | 84,083,334        | 84,083,334        | 168,166,668        | 168,166,668        |
| Stock Bank - West          |                    |                    |                   |                   |                    |                    |
| Hanoi Branch               |                    |                    |                   |                   |                    |                    |
| <b>Total</b>               | <b>168,166,668</b> | <b>168,166,668</b> | <b>84,083,334</b> | <b>84,083,334</b> | <b>168,166,668</b> | <b>168,166,668</b> |

**13.2 Non-current loans and lease liabilities**

|                      | Opening balance    |                    | In the period |                   | Closing balance    |                    |
|----------------------|--------------------|--------------------|---------------|-------------------|--------------------|--------------------|
|                      | Value              | Repayable value    | Increase      | Decrease          | Value              | Repayable value    |
| <b>Current loans</b> | <b>658,652,775</b> | <b>658,652,775</b> | <b>-</b>      | <b>84,083,334</b> | <b>574,569,441</b> | <b>574,569,441</b> |
| Commercial Joint (i) | 658,652,775        | 658,652,775        | -             | 84,083,334        | 574,569,441        | 574,569,441        |
| Stock Bank - West    |                    |                    |               |                   |                    |                    |
| Hanoi Branch         |                    |                    |               |                   |                    |                    |
| <b>Total</b>         | <b>658,652,775</b> | <b>658,652,775</b> | <b>-</b>      | <b>84,083,334</b> | <b>574,569,441</b> | <b>574,569,441</b> |

**Details of non-current loans from banks**

(i): Long-term loan of the Company at Tien Phong Commercial Joint Stock Bank - West Hanoi Branch is under Contract No. 470/2018/ HDTD/ THN / 01 dated October 28, 2018, which was disbursed once on November 16, 2018. The interest rate at the time of disbursement was 8.2%/ year and applied to November 16, 2019. The interest rate is adjusted every 3 months according to the Bank's announcement. The loan is paid once a month, the last term is to repay the loan principal on November 16, 2024. Collaterals are cars purchased by loans.

**14. Owner's equity****14.1 Changes in owner's equity**

|  | Owner's equity        | Retained earnings    | Total                 |
|--|-----------------------|----------------------|-----------------------|
| Opening balance of previous year         | 1,700,000,000         | (117,004,445)        | 1,582,995,555         |
| Equity increase in previous year         | 18,300,000,000        | -                    | 18,300,000,000        |
| Profit in previous year                  | -                     | (472,052,973)        | (472,052,973)         |
| <b>Closing balance of previous</b>       | <b>20,000,000,000</b> | <b>(589,057,418)</b> | <b>19,410,942,582</b> |
| Equity increase in current period        | -                     | -                    | -                     |
| Profit in current period                 | -                     | (43,655,891)         | (43,655,891)          |
| <b>Closing balance of current period</b> | <b>20,000,000,000</b> | <b>(632,713,309)</b> | <b>19,367,286,691</b> |

## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

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For the period from January 01, 2020 to June 30, 2020

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Period from January 01, 2020 to June 30, 2020

## 14.2 Details of owner's equity

|   | Closing balance       | Opening balance       |
|---|-----------------------|-----------------------|
| Contributed capital of Mr Nguyen Quoc Trung | 10,220,000,000        | 10,300,000,000        |
| Others                                      | 9,780,000,000         | 9,700,000,000         |
| <b>Total</b>                                | <b>20,000,000,000</b> | <b>20,000,000,000</b> |

As at June 30, 2020, the number of shareholders of CFM Investment Joint Stock Company was 127 people.

## Capital transactions with owners and distribution of dividends, distribution of profits

|                                  | Current period        | Previous period       |
|----------------------------------|-----------------------|-----------------------|
| Owner's equity                   | -                     | -                     |
| + At the beginning of the period | 20,000,000,000        | 1,700,000,000         |
| + Equity increase in the period  | -                     | 18,300,000,000        |
| + Equity decrease in the period  | -                     | -                     |
| + Equity at the end of period    | <b>20,000,000,000</b> | <b>20,000,000,000</b> |
| Distributed dividend, profit     | -                     | -                     |

## 14.3 Shares

|                                    | Closing balance | Opening balance |
|------------------------------------|-----------------|-----------------|
| - Authorized shares                | 2,000,000       | 2,000,000       |
| - Issued shares and paid up shares | 2,000,000       | 2,000,000       |
| - Common shares                    | 2,000,000       | 2,000,000       |
| - Preference shares                | -               | -               |
| Repurchased shares                 | -               | -               |
| Shares in circulation              | 2,000,000       | 2,000,000       |
| - Common shares                    | 2,000,000       | 2,000,000       |
| - Preference shares                | -               | -               |
| Par value per share:               | 10,000 VND      |                 |

## VI. ADDITIONAL INFORMATION ABOUT ITEMS ON THE INCOME STATEMENT

## 1. Revenue from sale of goods and rendering of services

|                                  | Current period     | Previous period      |
|----------------------------------|--------------------|----------------------|
| Revenue from training services   | 857,000,000        | 1,080,245,453        |
| Revenue from Copyright Licensing | 104,000,000        | 62,000,000           |
| <b>Total</b>                     | <b>961,000,000</b> | <b>1,142,245,453</b> |

## 2. Cost of goods sold and service rendered

|                                     | Current period     | Previous period    |
|-------------------------------------|--------------------|--------------------|
| Cost of training services           | 400,306,658        | 856,038,431        |
| Cost of copyright licensing         | 31,200,000         | 3,600,000          |
| Cost of trading investment property | 4,666,667          | -                  |
| <b>Total</b>                        | <b>436,173,325</b> | <b>859,638,431</b> |

## 3. Financial income

|                     | Current period     | Previous period    |
|---------------------|--------------------|--------------------|
| Bank, loan interest | 339,260,991        | 437,991,277        |
| <b>Total</b>        | <b>339,260,991</b> | <b>437,991,277</b> |



## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

Address: A2-6-02, An Binh City, Exchange City urban area,  
Pham Van Dong, Co Nhue 1, Bac Tu Liem, Hanoi

For the period from January 01, 2020 to June 30, 2020

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Period from January 01, 2020 to June 30, 2020

### 4. Financial expenses

|   | Current period    | Previous period    |
|---|-------------------|--------------------|
| Interest expenses   | 49,292,136        | 158,926,743        |
| Provision for impairment of trading securities and investment | -                 | 131,250,000        |
| <b>Total</b>  | <b>49,292,136</b> | <b>290,176,743</b> |

### 5. General and administrative expenses

|                      | Current period     | Previous period    |
|----------------------|--------------------|--------------------|
| Administrative staff | 291,052,318        | 237,580,000        |
| Office supplies      | 200,149,056        | 24,147,319         |
| Depreciation         | 200,800,278        | 110,064,935        |
| Outsourced services  | 142,806,703        | 316,819,819        |
| Other cash expenses  | 18,643,200         | 30,372,314         |
| <b>Total</b>         | <b>853,451,555</b> | <b>718,984,387</b> |

### 6. Current corporate income tax expenses

|   | Current period | Previous period |
|---|----------------|-----------------|
| Corporate income tax calculated based on taxable income of the current period                 | -              | -               |
| Adjusted corporate income tax of previous years to corporate income tax of the current period | -              | -               |
| <b>Total current corporate income tax expense</b>   | <b>-</b>       | <b>-</b>        |

The current tax payable is based on the taxable profit for the period. The taxable profit of the Company for the period is different from the profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes the items that are not taxable or deductible for tax calculation purposes. The Company's liability for current tax is calculated at the tax rates that have been enacted at the balance sheet date.

Details of corporate income tax are as follows:

|  | Current period      | Previous period      |
|--|---------------------|----------------------|
| <b>Net profit/ (losses) before tax</b>                                   | <b>(43,655,891)</b> | <b>(298,562,831)</b> |
| <u>Adjustments to increase/(decrease) accounting profit/(losses)</u>     | -                   | -                    |
| <u>Adjustments to increase</u>   | -                   | -                    |
| Non - deductible expenses  | -                   | -                    |
| <u>Adjustments to decrease</u>   | -                   | -                    |
| <b>Adjusted profit/ (loss) before tax excluding loss carried forward</b> | <b>(43,655,891)</b> | <b>(298,562,831)</b> |
| Estimated current taxable income   | (43,655,891)        | (298,562,831)        |
| Tax rate   | 20%                 | 20%                  |
| <b>Estimated CIT payables of the current period</b>                      | <b>-</b>            | <b>-</b>             |

### 7. Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss after tax attributable to the shareholders of the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the period.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

The company uses the following information to calculate basic earnings per share:

|   | Current period | Previous period |
|---|----------------|-----------------|
| Accounting profit after corporate income tax  | (43,655,891)   | (298,562,831)   |
| Adjustments to increase or decrease of accounting profit to determine profit attributable to ordinary stockholders: |                |                 |
| -   | -              | -               |
| - <i>Dividends of preference shares</i>   | -              | -               |
| Profit attributable to ordinary shareholders of the Company   | (43,655,891)   | (298,562,831)   |
| Bonus and welfare allocated in the period   | -              | -               |
| Ordinary shares circulating on average during the period (*)  | 2,000,000      | 625,417         |
| <b>Diluted earning per share</b>  | (22)           | (477)           |
| (*) The average ordinary shares in circulation during the year are determined as follows:                           |                |                 |
|   | Current period | Previous period |
| At the beginning of the period  | 2,000,000      | 170,000         |
| Increase in the period  | -              | 455,417         |
| Less: Treasury shares bought back in the period   | -              | -               |
| Average ordinary shares circulation in the period   | 2,000,000      | 625,417         |

**VII. OTHER INFORMATION****1. Events after the balance sheet date**

According to evaluation of the Board of Management, there was no event after the balance sheet date that had material or could have material effects on the Company's operational and business results in subsequent periods after the balance sheet date.

**2. Transactions with related parties**

A party is considered as related if it can control the other parties or has a significant influence on the other parties in making financial and operating decisions. Related parties comprise enterprises including parent company, subsidiaries, individual directly or indirectly through one or more intermediaries, control or are controlled by, or under the same control as the Company. Associates, individuals who own directly or indirectly, an interest in the voting right of the Company and its subsidiaries that give them significant influences on the enterprise, key management personnel, including directors and officers, close members of the family of these individuals or associates and companies associated with these individuals also constitute related parties.

**2.1 Transactions with key management personnel and related individuals**

Key management members and related individuals include members of Board of Management, Board of Directors and close family members of these individuals.

Transactions with key management members and related individuals are as follows:

|                                       | Current period | Previous period |
|---------------------------------------|----------------|-----------------|
| <b>Mr Nguyen Quoc Trung</b>           |                |                 |
| Training salary, copyright fee        | 201,900,000    | 174,236,952     |
| Capital contribution                  | -              | 18,300,000,000  |
| Purchase shares of Piga panel Company | -              | 1,080,000,000   |
| Loan from the Company                 | 8,600,000,000  | -               |
| Loan principal collection             | 8,600,000,000  | -               |
| Loan interest                         | 226,666,666    | -               |
| <b>Ms Tran Thuy Linh</b>              |                |                 |
| Salary, bonus, allowance              | 59,220,000     | 42,880,000      |
| Loan repayment                        | -              | 45,000,000      |



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from January 01, 2020 to June 30, 2020

At the balance sheet date, receivable and payable balances with key management members were as follows:

| <u>Liabilities</u>             | <u>Closing balance</u> | <u>Opening balance</u> |
|--------------------------------|------------------------|------------------------|
| Mr Nguyen Quoc Trung           |                        |                        |
| Training salary, copyright fee | 17,385,000             | 46,740,000             |
| Ms Tran Thuy Linh              |                        |                        |
| Other payables                 | 1,016,500              | -                      |
| Total                          | <u>18,401,500</u>      | <u>46,740,000</u>      |

**2.2 Other related parties**

The list of other related parties with the Company includes:

| <u>Related parties</u>                      | <u>Relationship</u>  |
|---|--|
| Matching of Visionaries & Entrepreneurs JSC | The General Director is Mr. Nguyen Quoc Trung                                |
| M.O.V.E Vietnam Communication JSC           | The Chairman is Mr. Nguyen Quoc Trung, the<br>Director is Ms. Tran Thuy Linh |
| CFM Lounge Vietnam JSC                      | The Chairman is Mr. Nguyen Quoc Trung  |

Transactions with these related parties during the period were as follows:

|  | <u>Current period</u> | <u>Previous period</u> |
|--|-----------------------|------------------------|
| <i>Matching of Visionaries &amp; Entrepreneurs JSC</i> |                       |                        |
| Goods and services purchase                            | 4,000,000             | 301,818,182            |
| Loan   | -                     | 270,000,000            |
| <i>CFM Lounge Vietnam JSC</i>                          |                       |                        |
| Capital contribution                                   | 50,000,000            | -                      |

**3. Comparative figures**

Comparative figures are those of Financial Statements for the year ended December 31, 2019 audited by BDO Audit Services Co., Ltd and Financial Statements for the period from January 01, 2020 to June 30, 2020 audited by Deloitte Vietnam Co., Ltd.

Preparer

Chief Accountant




Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh



Prepared on September 28, 2020