

**CFM INVESTMENT  
JOINT STOCK COMPANY**

Audited Financial statements  
for the fiscal year ended  
31 December 2019



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## **CFM INVESTMENT JOINT STOCK COMPANY**

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

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## **BOARD OF MANAGEMENT'S REPORT**

Board of Management of CFM Investment Joint Stock Company (hereinafter "the Company") is pleased to present its report and audited financial statements for the fiscal year ended December 31, 2019 by independent auditors.

### **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 year 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 year 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 Company Limited has audited the Company's financial statements for the fiscal year ended December 31, 2019.

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

Management is responsible for preparing the financial statements and ensuring that the financial statements give a true and fair view of the company's financial position as at December 31, 2019, and of the results of its operations and its cash flows for the fiscal year then ended, and they have confirmed that there are no contingent events that could affect the Company's going concern assumption.

**CFM INVESTMENT JOINT STOCK COMPANY**

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

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

In preparing those financial statements, Management is required to:

- 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 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 and presenting financial statements to minimize fraud and risks.

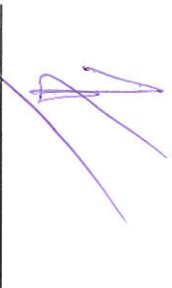
Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and ensuring that the accompanying financial statements comply with Vietnamese Accounting Standards, Vietnamese Enterprise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

In Management's opinion, the audited financial statements (attached) give a true and fair view of the financial position of the Company as at December 31, 2019 and of the results of its operations and its cash flows for the fiscal year then ended.

*Hanoi, September 18, 2020*

On behalf of the Board of Management,



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**Director**  
**Tran Thuy Linh**





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243A De La Thanh St  
Dong Da District, Hanoi,  
Vietnam

No. 305/2020/BCKT-BDO

Hanoi, September 18, 2020

## INDEPENDENT AUDITOR'S REPORT

*On the financial statements of CFM Investment Joint Stock Company  
for the fiscal year ended December 31, 2019*

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

We have audited the accompanying financial statements of CFM Investment Joint Stock Company (hereinafter referred to as "the Company"), as prepared on September 18, 2020 set out on page 06 to 25 including Balance Sheet as of December 31, 2019, Income Statement, Cash Flow Statement for the year from January 01, 2019 to December 31, 2019 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 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 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 an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures are selected based on the auditors' judgments, including the assessment of the risks of material misstatement on the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control related to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the 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 accompanying financial statements give a true and fair view, in all material aspects, of the financial position of CFM Investment Joint Stock Company as at December 31, 2019 as well as the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and other prevailing legal regulations on the preparation and presentation of financial statements.



#### Other matter

The comparative information is presented on the financial statements for the fiscal year ended December 31, 2018 that were audited by Deloitte Vietnam Company Limited after adjusted. The Auditor Report No. 0398/VN1A-HN-BC issued on September 30, 2019 is type of Unqualified opinion.

As part of our audit of the financial statements for the fiscal year ended December 31, 2019, we also audited the adjustments described in Note VII.3 that were applied to amend the financial statements for the fiscal year ended on December 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements for the fiscal year ended December 31, 2018 of the company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the financial statements for the fiscal year ended December 31, 2018 taken as a whole.

This report is issued to replace Audit Report No. 74/2020/BCKT-BDO dated March 20, 2020 on the Financial Statements of CFM Investment Joint Stock Company for the fiscal year ending on December 31, 2019 for the reason that the Company adjusted a number of items on the financial statements, including: reclassifying the principal balance with repayment term within 12 months from the balance sheet date to current loans, decreasing interest expense payables on mature personal loans, adding notes to related party transactions and adjusting Drawdown of borrowings and Repayment of borrowings items on figures on Cash Flow Statement and notes to loans. Details for the reasons for the adjustment are presented in Note VII.4 of the Notes to the Financial Statements.

**BDO AUDIT SERVICES COMPANY LIMITED**



**Bui Van Vuong - Deputy General Director**

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

**Nguyen Tuan Anh - Auditor**

*Audit Practising Registration Certificate No.  
1906-2018-038-1*



## CFM INVESTMENT JOINT STOCK COMPANY

Financial Statements

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

For the fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

## BALANCE SHEET

As at December 31, 2019

Currency: VND

ASSETS	Code	Note	Closing balance	Opening balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>13,616,613,063</b>	<b>1,157,757,736</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>12,087,635,805</b>	<b>69,540,199</b>
1. Cash	111		2,087,635,805	69,540,199
2. Cash equivalents	112		10,000,000,000	-
<b>II. Current financial investments</b>	<b>120</b>		<b>-</b>	<b>9,561,988</b>
1. Trading securities	121	-	-	100,000,000
2. Provision for diminution in value of trading securities	122	-	-	(90,438,012)
<b>III. Current receivables</b>	<b>130</b>		<b>1,287,319,189</b>	<b>927,033,477</b>
1. Current trade reicevables	131		-	44,000,000
2. Current advances to suppliers	132	V.4	33,809,600	231,033,477
3. Current loan receivables	135	V.2	1,200,000,000	-
4. Other current receivables	136	V.5	53,509,589	652,000,000
<b>IV. Inventories</b>	<b>140</b>		<b>-</b>	<b>23,822,727</b>
1. Inventories	141		-	23,822,727
<b>V. Other current assets</b>	<b>150</b>		<b>241,658,069</b>	<b>127,799,345</b>
1. Current prepaid expenses	151	V.6	70,853,366	1,283,360
2. Value - added tax deductible	152		170,804,703	126,515,985
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>7,007,001,908</b>	<b>1,524,023,930</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>5,747,326,832</b>	<b>1,507,278,138</b>
1. Tangible fixed assets	221	V.7	5,747,326,832	1,507,278,138
<i>Historical cost</i>	222		6,077,676,091	1,540,909,091
<i>Accumulated depreciation</i>	223		(330,349,259)	(33,630,953)
<b>III. Investment properties</b>	<b>230</b>		<b>-</b>	<b>-</b>
<b>IV. Non-current work in progress</b>	<b>240</b>	<b>V.8</b>	<b>830,000,000</b>	<b>-</b>
1. Construction in progress	242		830,000,000	-
<b>V. Non-current financial investments</b>	<b>250</b>		<b>402,500,000</b>	<b>-</b>
1. Investments in other entities	253	V.3	402,500,000	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>27,175,076</b>	<b>16,745,792</b>
1. Non-current prepaid expenses	261	V.6	27,175,076	16,745,792
<b>TOTAL ASSETS</b>	<b>270</b>		<b>20,623,614,971</b>	<b>2,681,781,666</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 fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

**BALANCE SHEET (continued)**

As at December 31, 2019

Currency: VND

RESOURCES		Code	Note	Closing balance	Opening balance
<b>C - LIABILITIES</b>					
<b>I. Current liabilities</b>		<b>310</b>		<b>1,212,672,389</b>	<b>1,098,786,111</b>
1. Current trade payables		311		554,019,614	271,841,668
				1,650,000	-
2. Current advances from customers		312	V.9	132,000,000	-
3. Statutory obligations		313	V.10	33,356,001	350,000
4. Payables to employees		314		52,176,364	54,325,000
5. Current accrued expenses		315	V.11	930,581	-
6. Other current payables		319	V.12	155,740,000	4,000,000
7. Current loans and lease liabilities		320	V.13	168,166,668	213,166,668
8. Provision for current payables		321		10,000,000	-
<b>II. Non-current liabilities</b>		<b>330</b>		<b>658,652,775</b>	<b>826,944,443</b>
1. Non-current loans and lease liabilities		338	V.13	658,652,775	826,944,443
<b>D - OWNERS' EQUITY</b>		<b>400</b>		<b>19,410,942,582</b>	<b>1,582,995,555</b>
<b>I. Owners' equity</b>		<b>410</b>	<b>V.14</b>	<b>19,410,942,582</b>	<b>1,582,995,555</b>
1. Contributed capital		411		20,000,000,000	1,700,000,000
- Common shares with voting rights		411a		20,000,000,000	1,700,000,000
- Preferred shares		411b		-	-
2. Retained earnings		421		(589,057,418)	(117,004,445)
- Accumulated retained earnings by the end of the previous year		421a		(117,004,445)	(51,781,367)
- Retained earnings of the current year		421b		(472,052,973)	(65,223,078)

**TOTAL LIABILITIES AND OWNERS' EQUITY 440****20,623,614,971 2,681,781,666**

Prepared on September 18, 2020

Preparer

Chief Accountant





Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh



## CFM INVESTMENT JOINT STOCK COMPANY

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

## Financial Statements

For the fiscal year ended December 31, 2019

## INCOME STATEMENTS

Year 2019

Currency: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01	VI.1	1,807,609,089	1,050,272,726
2. Revenue deductions	02		-	-
3. Net revenue from sale of goods and rendering of services	10		1,807,609,089	1,050,272,726
4. Cost of goods sold and service rendered	11	VI.2	1,190,683,470	411,731,651
5. Gross profit from sale of goods and rendering of services	20		616,925,619	638,541,075
6. Financial incomes	21	VI.3	1,304,589,255	167,455
7. Financial expenses <i>In which: interest expenses</i>	22 23	VI.4	503,936,709 594,374,721	99,424,313 8,986,301
8. Selling expenses	25		-	-
9. General and administrative expenses	26	VI.5	1,875,395,162	604,226,121
10. Net profit from operating activities	30		(457,816,997)	(64,941,904)
11. Other income	31		1	-
12. Other expenses	32		14,235,977	281,174
13. Other profit	40		(14,235,976)	(281,174)
14. Profit before tax	50		(472,052,973)	(65,223,078)
15. Current corporate income tax expense	51	VI.6	-	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate rate income tax	60		(472,052,973)	(65,223,078)
18. Diluted earnings per share	70	VI.7	(376)	(782)

Preparer

Chief Accountant

Prepared on September 18, 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,

For the fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

**CASH FLOW STATEMENT**

(Indirect method)

Year 2019

ITEMS	Code	Note	Currency: VND	
			Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. <i>Profit before tax</i>	01		(472,052,973)	(65,223,078)
2. <i>Adjustments for</i>				
- Depreciation of fixed assets and investment properties	02		296,718,306	33,630,953
- Provisions	03		10,000,000	90,438,012
- Foreign exchange (gains)/losses from revaluation of monetary items denominated in foreign currencies	04	-	-	-
- Gains/ (losses) from investing activities	05		(1,304,589,255)	(167,455)
- Interest expenses	06		594,374,721	8,986,301
- Other adjustments	07		(90,438,012)	-
3. <i>Operating profit before changes in working capital</i>	08		(965,987,213)	67,664,733
- (Increase)/ decrease in receivables	09		811,535,159	(506,027,280)
- (Increase)/ decrease in inventories	10		23,822,727	(23,822,727)
- Increase/(decrease) in payables	11		316,247,365	55,075,000
- (Increase)/ decrease in prepaid expenses	12		(79,999,290)	(15,652,200)
- (Increase)/ decrease in trading securities	13		100,000,000	(100,000,000)
- Interest paid	14		(593,444,140)	(8,986,301)
- 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		(387,825,392)	(531,748,775)
<b>II. Cash flows from investing activities</b>				
1. Acquisition of fixed assets and other non-current assets	21		(5,366,767,000)	(1,540,909,091)
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		(21,535,000,000)	-
4. Collections from borrowers and proceeds from sale of debt instruments of other entities	24		20,335,000,000	-
5. Payments for investments in other entities	25		(1,152,500,000)	-
6. Proceeds from sale of investments in other entities	26		750,000,000	-
7. Interests, dividends and distributed profit received	27		1,288,479,666	167,455
<i>Net cash flows from investing activities</i>	30		(5,680,787,334)	(1,540,741,636)

## CFM INVESTMENT JOINT STOCK COMPANY

## Financial Statements

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

For the fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

**CASH FLOW STATEMENT (continued)**

(Indirect method)

Year 2019

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing shares, capital contribution	31		18,300,000,000	1,100,000,000
2. Returns of equity to shareholders, repurchase of issued shares	32		-	-
3. Drawdown of borrowings	33		5,350,000,000	1,040,111,111
4. Repayment of borrowings	34		(5,563,291,668)	-
5. Repayments of lease liabilities	35		-	-
6. Dividends, profits paid to shareholders	36		-	-
<i>Net cash flows from financing activities</i>	40		<u>18,086,708,332</u>	<u>2,140,111,111</u>
Net cash flows during the year	50		12,018,095,606	67,620,700
Cash and cash equivalents at the beginning of the year	60	V.1	69,540,199	1,919,499
The impact of foreign exchange rate changes	61		-	-
Cash and cash equivalents at the end of the year	70	V.1	<u>12,087,635,805</u>	<u>69,540,199</u>

Preparer

Chief Accountant




Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh



Prepared on September 18, 2020



**CFM INVESTMENT JOINT STOCK COMPANY**

**Financial Statements**

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

For the fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

**NOTES OF FINANCIAL STATEMENTS**

**Year 2019**

**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. Employees**

The total number of the Company's employees as of December 12, 2019 was 4 people (As at December 31, 2018 was 5 people).

**6. Declaration on comparative information in Financial Statements**

Comparative figures are those of Financial Statements for the year ended December 31, 2018 audited by Deloitte Vietnam Co., Ltd after adjusted.

**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).

**III. APPLIED ACCOUNTING STANDARDS AND FRAMEWORK**

**1. Applied accounting framework**

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



**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

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) Securities trading**

*Carrying value*: Business securities are recognized at cost, including: Purchase price plus (+) purchase costs (if any) such as brokerage, transaction, information provision, taxes and fees, bank fees. The cost of trading securities is determined according to fair value of payments at the time the transaction arises.

*The recognition time* of trading securities is the time when investors have ownership, specifically as follows:

- Listed securities are recognized at the time of matching (T + 0).

- Unlisted securities are recognized at the time of official ownership in accordance with the law.

*The basis for the provision for devaluation*: At the end of the accounting year, the Company makes a provision for devaluation in case the market price of trading securities falls below its original cost.

**b) 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



**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

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

***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*****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 of articles of the two circulars.

**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.

**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

**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:

Prepaid expenses

Tools and supplies

Amortization period

06 - 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.
- 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.



**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

***Basis of determining accrued expenses***

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

**11. 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).

**12. 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.

**13. 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.

**14. Financial expenses**

Financial expenses include: interest expenses.

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



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## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

## 15. 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.

## 16. 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 FOR ITEMS IN BALANCE SHEET

## 1. Cash and cash equivalents

	Closing balance	Opening balance
Cash on hand	1,630,544,083	4,388,485
Cash at bank	457,091,722	65,151,714
Total	2,087,635,805	69,540,199
Cash equivalents (*)	10,000,000,000	-
Total cash and cash equivalents	12,087,635,805	69,540,199

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

## 2. Loans

	Closing balance		Opening balance	
	Cost	Provision	Fair value	
Thai Lan Paint	1,200,000,000	-	1,200,000,000	-
Production JSC (i)				
Total	1,200,000,000	-	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.

## 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	-
Total	402,500,000	-	402,500,000	-

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## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

## 4. Advances to suppliers

## 4.1 Current advances to suppliers

	Closing balance	Opening balance
Matching of Visionaries & Entrepreneurs Investment Joint Stock Company	-	231,000,000
Hong Lam Joint Stock Company	15,840,000	-
AAA Vietnam Investment and Trading Company Limited	7,050,000	-
IDMAX Joint Stock Company	10,000,000	-
Other	919,600	33,477
<b>Total</b>	<b>33,809,600</b>	<b>231,033,477</b>

## 5. Other receivables

## 5.1 Other current receivables

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Advance for employees	-	-	547,000,000	-
Mr. Vu Van Day	-	-	547,000,000	-
Nguyen Minh Nhat	-	-	105,000,000	-
KVN Saigonhome Joint Stock Company	400,000	-	-	-
Deposit of office lease	12,000,000	-	-	-
Other receivables	41,109,589	-	-	-
Total	53,509,589	-	652,000,000	-

## 6. Prepaid expenses

## 6.1 Current prepaid expenses

	Closing balance	Opening balance
- Prepaid expenses on operating lease of fixed assets	24,281,528	-
- Tools and supplies	1,151,112	1,283,360
- Others	45,420,726	-
<b>Total</b>	<b>70,853,366</b>	<b>1,283,360</b>

## 6.2 Non - current prepaid expenses

	Closing balance	Opening balance
- Tools and supplies	27,175,076	16,745,792
<b>Total</b>	<b>27,175,076</b>	<b>16,745,792</b>

## 7. Increase/decrease in tangible fixed assets

	Buildings, structures	Means of transport	Total
Historical cost			
Opening balance	-	1,540,909,091	1,540,909,091
- New purchase	4,536,767,000	-	4,536,767,000
Closing balance	<b>4,536,767,000</b>	<b>1,540,909,091</b>	<b>6,077,676,091</b>
Accumulated depreciation			
Opening balance	-	33,630,953	33,630,953
- Depreciation in the year	76,588,434	220,129,872	296,718,306
Closing balance	<b>76,588,434</b>	<b>253,760,825</b>	<b>330,349,259</b>
Carrying value			
Opening balance	-	1,507,278,138	1,507,278,138
Closing balance	<b>4,460,178,566</b>	<b>1,287,148,266</b>	<b>5,747,326,832</b>

These notes form an integral part of and should be read in conjunction with the accompanying Financial Statements



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## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

*In which:*

*Cost of fixed assets fully depreciated but still in use:*

0 VND

*Cost of fixed assets in process of liquidation:*

0 VND

*Carrying value of fixed assets used to secure loans:*

1.287.148.266 VND

## 8. Construction in progress

	Closing balance	Opening balance
Expenses for repair, design and construction of office furniture	830,000,000	-
<b>Total</b>	<b>830,000,000</b>	<b>-</b>

## 9. Current advances from customers

	Closing balance	Opening balance
Nguyen Tuan Tu	44,000,000	-
Nguyen Bao Gia	44,000,000	-
Tran Vu Doan	44,000,000	-
<b>Total</b>	<b>132,000,000</b>	<b>-</b>

## 10. Statutory obligations

	Opening balance	Payable in the year	Paid amount in the year	Closing balance
Personal income tax	350,000	73,428,537	40,422,536	33,356,001
Others taxes	-	4,000,000	4,000,000	-
<b>Total</b>	<b>350,000</b>	<b>77,428,537</b>	<b>44,422,536</b>	<b>33,356,001</b>

## 11. Accrued expenses

## 11.1 Short-term accrued expenses

	Closing balance	Opening balance
Interest expense	930,581	-
<b>Total</b>	<b>930,581</b>	<b>-</b>

## 12. Other payables

## 12.1 Other current payables

	Closing balance	Opening balance
Short-term deposit and mortgage received	100,000,000	-
Nguyen Quoc Trung	46,740,000	-
Nguyen Thi Minh Hang	9,000,000	-
Other payables	-	4,000,000
<b>Total</b>	<b>155,740,000</b>	<b>4,000,000</b>

## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

## 13. Loans and lease liabilities

## 13.1 Current loans and lease liabilities

	Opening balance		In the year		Closing balance	
	Value	Repayble value	Increase	Decrease	Value	Repayble value
<b>Short-term loans</b>	<b>45,000,000</b>	<b>45,000,000</b>	<b>5,350,000,000</b>	<b>5,395,000,000</b>	-	-
Tran Thuy Linh	45,000,000	45,000,000	-	45,000,000	-	-
Vu Trung Kien	-	-	400,000,000	400,000,000	-	-
Pham Thi Thanh Quy	(i)	-	400,000,000	400,000,000	-	-
Do Thi Minh Hieu	-	-	100,000,000	100,000,000	-	-
Pham Tuan Linh	(i)	-	400,000,000	400,000,000	-	-
Nguyen Thi Nga	(i)	-	400,000,000	400,000,000	-	-
Pham Hoang Anh	-	-	200,000,000	200,000,000	-	-
Tran Khanh Thien	(i)	-	200,000,000	200,000,000	-	-
Phung Hoai Thuong	-	-	500,000,000	500,000,000	-	-
Ha Duc Nghia	-	-	400,000,000	400,000,000	-	-
Nguyen Trong Giang	(i)	-	200,000,000	200,000,000	-	-
Tran Thi Huu Hoa	(i)	-	200,000,000	200,000,000	-	-
Nguyen Thi Nham	-	-	500,000,000	500,000,000	-	-
Cao Manh Song	(i)	-	400,000,000	400,000,000	-	-
Ha Van Thuy	-	-	200,000,000	200,000,000	-	-
Nguyen Thai Tung	-	-	200,000,000	200,000,000	-	-
Dinh Hong Phong	-	-	200,000,000	200,000,000	-	-
Pham Van Trung Kien	-	-	200,000,000	200,000,000	-	-
Nguyen Thi Chau Anh	-	-	200,000,000	200,000,000	-	-
Nguyen Quoc Trung	(i)	-	50,000,000	50,000,000	-	-
<b>Due long-term loans</b>	<b>168,166,668</b>	<b>168,166,668</b>	<b>168,166,668</b>	<b>168,166,668</b>	<b>168,166,668</b>	<b>168,166,668</b>
Tien Phong Commercial Joint Stock Bank - West	168,166,668	168,166,668	168,166,668	168,166,668	168,166,668	168,166,668
Hanoi Branch	213,166,668	213,166,668	5,518,166,668	5,563,166,668	168,166,668	168,166,668
<b>Total</b>	<b>213,166,668</b>	<b>213,166,668</b>	<b>5,518,166,668</b>	<b>5,563,166,668</b>	<b>168,166,668</b>	<b>168,166,668</b>

(i): Represent a loan from an individual who is a shareholder of the company

## 13.2 Non-current loans and lease liabilities

	Opening balance		In the year		Closing balance	
	Value	Repayable value	Increase	Decrease	Value	Repayable value
<b>Non-current loans</b>	<b>826,944,443</b>	<b>826,944,443</b>	-	168,291,668	658,652,775	658,652,775
Tien Phong Commercial Joint Stock Bank - West	826,944,443	826,944,443	-	168,291,668	658,652,775	658,652,775
Hanoi Branch (i)	826,944,443	826,944,443	-	168,291,668	658,652,775	658,652,775
<b>Total</b>	<b>826,944,443</b>	<b>826,944,443</b>	<b>-</b>	<b>168,291,668</b>	<b>658,652,775</b>	<b>658,652,775</b>



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## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

*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	600,000,000	(51,781,367)	548,218,633
Equity increase in previous year	1,100,000,000	-	1,100,000,000
Profit in previous year	-	(65,223,078)	(65,223,078)
Closing balance of previous year/ Opening balance of current year	1,700,000,000	(117,004,445)	1,582,995,555
Equity increase in current year	18,300,000,000	-	18,300,000,000
Profit in current year	-	(472,052,973)	(472,052,973)
Closing balance of current year	20,000,000,000	(589,057,418)	19,410,942,582

## 14.2 Details of owner's equity

	Closing balance	Opening balance
Contributed capital of Mr. Nguyen Quoc Trung	10,300,000,000	1,100,000,000
Others	9,700,000,000	600,000,000
Total	20,000,000,000	1,700,000,000

As at December 31, 2019, the number of shareholders of CFM Investment Joint Stock Company was 115 people.

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

	Current year	Previous year
Owner's equity	-	-
+ At the beginning of the year	1,700,000,000	600,000,000
+ Equity increase in the year	18,300,000,000	1,100,000,000
+ Equity decrease in the year	-	-
+ Equity at the end of year	20,000,000,000	1,700,000,000
Distributed dividend, profit	-	-

## 14.3 Shares

	Closing balance	Opening balance
- Authorized shares	2,000,000	170,000
- Issued shares and paid up shares	2,000,000	170,000
- Common shares	2,000,000	170,000
- Preference shares	-	-
Repurchased shares	-	-
Shares in circulation	2,000,000	170,000
- Common shares	2,000,000	170,000
- Preference shares	-	-
Par value per share:	10,000 VND	

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## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

## VI. ADDITIONAL INFORMATION FOR ITEMS IN INCOME STATEMENTS

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

	Current year	Previous year
Revenue from training services, Copyright Licensing	1,531,609,089	770,272,726
Revenue from Copyright Licensing	276,000,000	280,000,000
<b>Total</b>	<b>1,807,609,089</b>	<b>1,050,272,726</b>

## 2. Cost of goods sold and service rendered

	Current year	Previous year
Cost of training services	1,137,883,470	411,731,651
Cost of copyright licensing	52,800,000	-
<b>Total</b>	<b>1,190,683,470</b>	<b>411,731,651</b>

## 3. Financial income

	Current year	Previous year
Bank, loan interest	1,304,589,255	167,455
<b>Total</b>	<b>1,304,589,255</b>	<b>167,455</b>

## 4. Financial expenses

	Current year	Previous year
Interest expenses	594,374,721	8,986,301
Provision for impairment of trading securities and investment	-	90,438,012
Reversal of provision for impairment of trading securities	(90,438,012)	-
<b>Total</b>	<b>503,936,709</b>	<b>99,424,313</b>

## 5. General and administrative expenses

	Current year	Previous year
Administrative staff	438,284,364	268,315,096
Costs of materials	127,719,966	40,880,449
Office supplies	279,091	541,150
Depreciation	296,718,306	33,630,953
Tax and fees	25,804,153	5,102,347
Outsourced services	934,601,167	252,583,726
Other cash expenses	51,988,115	3,172,400
<b>Total</b>	<b>1,875,395,162</b>	<b>604,226,121</b>

## 6. Current corporate income tax expense

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



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NOTES OF FINANCIAL STATEMENTS *(continued)*

Year 2019

The current tax payable is based on the taxable profit for the year. The taxable profit of the Company for the year 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 year	Previous year
Net profit/ (losses) before tax	(472,052,973)	(65,223,078)
<u>Adjustments to increase/(decrease) accounting profit/(losses)</u>		
<u>Adjustments to increase</u>	-	-
<u>Adjustments to decrease</u>	-	-
Adjusted profit/ (loss) before tax excluding loss carried forward	(472,052,973)	(65,223,078)
Estimated current taxable income	(472,052,973)	(65,223,078)
Tax rate	20%	20%
Estimated CIT payables of the current year	-	-

## 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.

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

	Current year	Previous year
Accounting profit after corporate income tax	(472,052,973)	(65,223,078)
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	(472,052,973)	(65,223,078)
Bonus and welfare allocated in the year	-	-
Ordinary shares circulating on average during the year (*)	1,255,833	83,452
Diluted earning per share	(376)	(782)

(\*) The average ordinary shares in circulation during the year are determined as follows:

	Current year	Previous year
At the beginning of the year	170,000	60,000
Increase in the year	1,085,833	23,452
Less: Treasury shares bought back in the year	-	-
Average ordinary shares circulation in the year	1,255,833	83,452

## 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.

**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

**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 year	Previous year
<b><i>Mr Nguyen Quoc Trung</i></b>		
Training salary, copyright fee	534,782,727	55,000,000
Capital contribution	18,300,000,000	1,100,000,000
Purchase of shares in Biga panel Company	1,080,000,000	-
Sell shares in Biga panel Company	1,089,000,000	-
Loan receipt	50,000,000	-
Loan repayment	50,000,000	-
<b><i>Ms Tran Thuy Linh</i></b>		
Salary, bonus, allowance	110,990,000	-
Loan receipt	-	45,000,000
Loan repayment	45,000,000	-
At the balance sheet date, receivable and payable balances with key management members were as follows:		
	Closing balance	Opening balance
<b><i>Liabilities</i></b>		
<b><i>Mr Nguyen Quoc Trung</i></b>		
Training salary, copyright fee	46,740,000	-
<b><i>Ms Tran Thuy Linh</i></b>		
Loaning to the company	-	45,000,000
<b>Total</b>	<b>46,740,000</b>	<b>45,000,000</b>

**2.2 Other related parties**

The list of other related parties with the Company includes:

Related parties	Relationship
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 Director is Ms. Tran Thuy Linh

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

	Current year	Previous year
<b><i>Matching of Visionaries &amp; Entrepreneurs JSC</i></b>		
Goods and services purchase	365,454,545	-
Loan	270,000,000	-
Loan principal collection	270,000,000	-
Loan interest	10,069,672	-



**NOTES OF FINANCIAL STATEMENTS (continued)**

Year 2019

As at December 31, balances receivable and payable to other related parties were as follows:

	Closing balance	Opening balance
<b><u>Receivables</u></b>		
<i>Matching of Visionaries &amp; Entrepreneurs JSC</i>		
Advances to suppliers under training consulting contracts	-	231,000,000
Total	-	<u>231,000,000</u>

***Pricing policy for transactions between the Company and other related parties***

The price of goods and services provided to related parties is an agreed price. The purchase of goods and services from related parties is done at the agreed price.

Receivables are unsecured and will be settled with money. The allowance for doubtful debts for related party receivables is not made.

**3. Comparative figures**

Comparative figures are those of Financial Statements for the year ended December 31, 2018 audited by Deloitte Vietnam Co., Ltd after adjusted.

***The reason of adjustments***

Retrospective adjustment to reclassify principal balance Tien Phong Commercial Joint Stock Bank - West Hanoi Branch has a repayment period within the next 12 months from the time of preparing the financial statements presented in the item "Current financial loans and liabilities".

***Adjustments to opening balance***

	Code	Figures on audited financial statements of the previous year	Adjustment	Figures after adjustment
<b><i>Balance Sheet</i></b>				
Current loans and lease liabilities	320	45,000,000	168,166,668	213,166,668
Non-current loans and lease liabilities	338	995,111,111	(168,166,668)	826,944,443

**4. Adjusted to Previous issued Financial Statement**

The Company's Board of Management approved the 2019 Financial Statements on March 20, 2020 and these financial statements were published on the same day. However, the financial statements still have some unadjusted errors. Therefore, they adjusted the 2019 financial statements. Details are as follows:

***The nature of errors in the financial statements:***

- The principal balance with a term of repayment within 12 months from the end of the fiscal year does not reclassify to current loans;
- Interest expenses on mature personal loans were duplicated;
- Lack of some notes for transactions with related party;
- Lack of data on Drawdown of borrowings and Repayment of borrowings items incurred during the year on Cash Flow Statement and notes of loans.

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

For the fiscal year ended December 31, 2019

Pham Van Dong street, Co Nhue 1 ward, Bac Tu Liem district, Hanoi City

## NOTES OF FINANCIAL STATEMENTS (continued)

Year 2019

## Change data of financial statements:

Code	Items	Figures on issued	Adjustment	Figures after
		Financial Statement VND	VND	adjustment VND
<b>Balance Sheet</b>				
320	Current loans and lease liabilities	-	168,166,668	168,166,668
315	Current accrued expenses	120,954,128	(120,023,547)	930,581
338	Non-current loans and lease liabilities	826,819,443	(168,166,668)	658,652,775
421	Retained earnings	(709,080,965)	120,023,547	(589,057,418)
<b>Income Statement</b>				
22	Financial expenses	623,960,256	(120,023,547)	503,936,709
60	Profit after corporate rate income tax	(592,076,520)	120,023,547	(472,052,973)
<b>Cash flow statement</b>				
33	Drawdown of borrowings	-	5,350,000,000	5,350,000,000
34	Repayment of borrowings	(213,291,668)	(5,350,000,000)	(5,563,291,668)

- Changing the notes of related parties: Adding capital contribution transactions, training salary, borrowing, loan repayment and fees for using copyright of Mr. Nguyen Quoc Trung; additional loan transactions, loan repayment of Ms. Tran Thuy Linh; supplementing loan transactions, collecting loan principal and interest with Matching of Visionaries & Entrepreneurs JSC.

Preparer



Chief Accountant




Prepared on September 18, 2020

Director

Tran Thanh Huong

Luong Thi Nhi Ha

Tran Thuy Linh