

**Amtrust Mobile Solutions Vietnam
Joint Stock Company**

Financial statements

For the period from 6 June 2019 (date of incorporation)
to 31 December 2019

Amtrust Mobile Solutions Vietnam Joint Stock Company

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Amtrust Mobile Solutions Vietnam Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Amtrust Mobile Solutions Vietnam Joint Stock Company ("the Company") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No. 5437040765 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 May 2019 and the Enterprise Registration Certificate No. 0315723588 issued by the Department of Planning and Investment of Ho Chi Minh City dated 6 June 2019, and as amended.

The registered activities of the Company are to provide service of repairing communication equipment, management consultancy and insurance brokers service.

The Company's registered office is located at Room S.205, H3 Building, No.384 Hoang Dieu Street, Ward 6, District 4, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTOR

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

Mr Mark Richard Simmons	Chairman	3 June 2019
Mr Julian Martin Wong	Member	3 June 2019

GENERAL DIRECTOR

The General Director during the period and at the date of this report is Mr Mark Richard Simmons.

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Mark Richard Simmons.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Amtrust Mobile Solutions Vietnam Joint Stock Company

REPORT OF GENERAL DIRECTOR

The General Director of Amtrust Mobile Solutions Vietnam Joint Stock Company ("the Company") is pleased to present this report and the financial statements of the Company for the period from 6 June 2019 (date of incorporation) to 31 December 2019.

THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The General Director of the Company is responsible for the financial statements of each financial period which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the period. In preparing those financial statements, the General Director is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements 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; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director 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 to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY THE GENERAL DIRECTOR

I, the General Director of the Company, do hereby state that, in my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and of the results of its operations and its cash flows for the period from 6 June 2019 (date of incorporation) to 31 December 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.



Mark Richard Simmons
General Director

Ho Chi Minh City, Vietnam

30 June 2020

Reference: 61573116/21729003

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Amtrust Mobile Solutions Vietnam Joint Stock Company

We have audited the accompanying financial statements of Amtrust Mobile Solutions Vietnam Joint Stock Company ("the Company") as prepared on 30 June 2020 and set out on pages 5 to 22, which comprise the balance sheet as at 31 December 2019, and the income statement and the cash flow statement for the period from 6 June 2019 (date of incorporation) to 31 December 2019 and the notes thereto.

The General Director's responsibility

The Company's General Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant 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 General Director, 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.

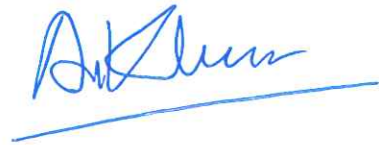
Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2019, and of the results of its operations and its cash flows for the period from 6 June 2019 (date of incorporation) to 31 December 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Ernest Yoong Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No. 1891-2018-004-1



Nguyen An Khang
Auditor
Audit Practicing Registration Certificate
No. 4611-2018-004-01

Ho Chi Minh City, Vietnam

30 June 2020

BALANCE SHEET
as at 31 December 2019

VND

Code	ASSETS	Notes	31 December 2019
100	A. CURRENT ASSETS		7,160,526,656
110	I. Cash		804,219,011
111	1. Cash	4	804,219,011
130	II. Current accounts receivable		6,291,716,925
131	1. Short-term trade receivables	5	6,146,516,925
136	2. Other short-term receivables	6	145,200,000
150	III. Other current assets		64,590,720
151	1. Short-term prepaid expenses	7	45,682,564
152	2. Value-added tax deductible		18,908,156
200	B. NON-CURRENT ASSETS		5,052,770,629
220	I. Fixed asset		757,325,751
221	1. Tangible fixed assets	8	321,912,177
222	Cost		399,615,116
223	Accumulated depreciation		(77,702,939)
227	2. Intangible fixed assets	9	435,413,574
228	Cost		503,029,026
229	Accumulated amortisation		(67,615,452)
240	II. Long-term assets in progress		3,470,071,916
242	1. Construction in progress	10	3,470,071,916
260	III. Other long-term assets		825,372,962
262	1. Deferred tax assets	21.3	825,372,962
270	TOTAL ASSETS		12,213,297,285

BALANCE SHEET (continued)
as at 31 December 2019

VND

Code	RESOURCES	Notes	31 December 2019
300	C. LIABILITIES		16,091,607,023
310	I. Current liabilities		14,009,442,937
311	1. Short-term trade payables	11	9,776,481,246
313	2. Statutory obligations	12	202,825,043
314	3. Payables to employees		381,802,560
315	4. Short-term accrued expenses	13	3,398,651,488
319	5. Other short-term payables	14	249,682,600
330	II. Non-current liability		2,082,164,086
338	1. Long-term loan	15	2,082,164,086
400	D. OWNER'S EQUITY		(3,878,309,738)
410	I. Capital	16	(3,878,309,738)
411	1. Share capital		235,000,000
411a	- Shares with voting rights		235,000,000
412	2. Share premium		(90,311)
421	3. Accumulated losses		(4,113,219,427)
421b	- Losses of current period		(4,113,219,427)
440	TOTAL LIABILITIES AND OWNER'S EQUITY		12,213,297,285



Nguyen Tuong Huy
Preparer/Chief Accountant



Mark Richard Simmons
General Director

30 June 2020

INCOME STATEMENT

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

VND

Code	ITEMS	Notes	For the period from 6 June 2019 to 31 December 2019
10	1. Net revenue from rendering of services	17	6,029,999,552
11	2. Cost of services rendered	18	(5,063,154,359)
20	3. Gross profit from rendering of services		966,845,193
21	4 Finance income		162,730
22	5. Finance expenses	19	(86,596,400)
23	In which: Interest expenses		(4,335,910)
25	6. Selling expenses	20	(725,191,959)
26	7. General and administrative expenses	20	(5,093,811,953)
30	8. Operating loss		(4,938,592,389)
50	9. Accounting loss before tax		(4,938,592,389)
51	10. Current corporate income tax expense	21.1	-
52	11. Deferred tax income	21.3	825,372,962
60	12. Net loss after tax		(4,113,219,427)



Nguyen Tuong Huy
Preparer/Chief Accountant



Mark Richard Simmons
General Director

30 June 2020

CASH FLOW STATEMENT

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

VND

Code	ITEMS	Notes	For the period from 6 June 2019 to 31 December 2019
01	I. CASH FLOWS FROM OPERATING ACTIVITIES		
	Accounting loss before tax		(4,938,592,389)
	<i>Adjustments for:</i>		
02	Depreciation and amortisation of assets	8, 9	145,318,391
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		81,957,330
05	Profit from investing activities		(162,730)
06	Interest expense		(4,335,910)
08	Operating loss before changes in working capital		(4,715,815,308)
09	Increase in receivables		(6,310,625,081)
11	Increase in payables		9,565,210,358
12	Increase in prepaid expenses		(45,682,564)
20	Net cash flows used in operating activities		(1,506,912,595)
	II. CASH FLOWS FROM AN INVESTING ACTIVITY		
27	Interest received		162,730
30	Net cash flows from an investing activity		162,730
	III. CASH FLOWS FROM FINANCING ACTIVITIES		
31	Capital contribution		234,909,689
33	Drawdown of borrowing		2,077,972,000
40	Net cash flows from financing activities		2,312,881,689
50	Net increase in cash in the period		806,131,824
60	Cash at beginning of period		-
61	Impact of exchange rate fluctuation		(1,912,813)
70	Cash at end of period	4	804,219,011



Nguyen Tuong Huy
Preparer/Chief Accountant



Mark Richard Simmons
General Director

30 June 2020

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

1. CORPORATE INFORMATION

Amtrust Mobile Solutions Vietnam Joint Stock Company ("the Company") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No. 5437040765 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 May 2019 and the Enterprise Registration Certificate No. 0315723588 issued by the Department of Planning and Investment of Ho Chi Minh City dated 6 June 2019, and as amended.

The registered activities of the Company are to provide service of repairing communication equipment, management consultancy and insurance brokers service.

The Company's registered office is located at Room S.205, H3 Building, No.384 Hoang Dieu Street, Ward 6, District 4, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2019 was 14.

2. BASIS OF PREPARATION**2.1 *Applied accounting standards and system***

The financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Company's initial fiscal year applicable for the preparation of its financial statements started on 6 June 2019 (date of incorporation) and ended on 31 December 2019. The Company's subsequent fiscal years start on 1 January and end on 31 December.

2.4 *Accounting currency*

The financial statements are prepared in VND which is also the Company's accounting currency.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

2. BASIS OF PREPARATION (continued)

2.5 *Going concern assumption*

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. As shown in the financial statements, the Company incurred a net loss of VND 4,113,219,427 for the period from 6 June 2019 (date of incorporation) to 31 December 2019 and had accumulated losses of VND 4,113,219,427 as at that date. In addition, as at 31 December 2019, its total and current liabilities also exceeded its total and current assets by VND 3,878,309,738 and VND 6,848,916,281, respectively. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern without the continuing financial support from its owner.

Amtrust Mobile Solutions Singapore PTE.LTD, its parent company, however, has confirmed its willingness and ability to provide ongoing financial support for the Company to meet its liabilities as and when they fall due, and to continue operations in the following year.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern. The assumption is premised on future events, the outcome of which is inherently uncertain.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash*

Cash comprises cash at bank.

3.2 *Receivables*

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the income statement.

3.3 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

3.5 *Depreciation*

Depreciation of tangible fixed assets and intangible assets is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office equipment	3 years
Computer software	3 years

3.6 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses

3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year.

3.8 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.9 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

3.11 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenues are recognised upon completion of the services provided.

Interest income

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3.12 Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Taxation* (continued)

Deferred tax (continued)

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity; or when the Company intends to either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.13 *Related parties*

Parties are considered to be related parties of the group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

4. CASH

VND
31 December 2019

Cash in bank 804,219,011

5. SHORT-TERM TRADE RECEIVABLES

VND
31 December 2019

Global Insurance Corporation 6,146,516,925

6. OTHER SHORT-TERM TRADE RECEIVABLES

VND
31 December 2019

Deposits 135,200,000
Staff advances 10,000,000
TOTAL 145,200,000

7. SHORT-TERM PREPAID EXPENSES

VND
31 December 2019

External services fee 45,682,564

8. TANGIBLE FIXED ASSETS

VND
Office equipment

Cost
New purchase 399,615,116
As at 31 December 2019 399,615,116
Accumulated depreciation
Depreciation for the period (77,702,939)
As at 31 December 2019 (77,702,939)
Net carrying amount
As at 31 December 2019 321,912,177

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

9. INTANGIBLE FIXED ASSETS

VND
Computer software

Cost:	
New purchase	<u>503,029,026</u>
As at 31 December 2019	<u>503,029,026</u>
Accumulated depreciation:	
Depreciation for the period	<u>(67,615,452)</u>
As at 31 December 2019	<u>(67,615,452)</u>
Net carrying amount:	
As at 31 December 2019	<u>435,413,574</u>

10. LONG-TERM CONSTRUCTION IN PROGRESS

VND
31 December 2019

Customer relationship management system	<u>3,470,071,916</u>
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11. SHORT-TERM TRADE PAYABLES

VND
31 December 2019

Trade payable to related parties (Note 22)	9,659,222,712
Trade payables to other suppliers	<u>117,258,534</u>
TOTAL	<u>9,776,481,246</u>

12. STATUTORY OBLIGATIONS

VND

	<i>Increase during the period</i>	<i>Decrease during the period</i>	31 December 2019
Personal income tax	<u>202,825,043</u>	<u>-</u>	<u>202,825,043</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

13. SHORT-TERM ACCRUED EXPENSES

	VND
	31 December 2019
Expenses for external service	1,573,518,269
Bonus for employees	808,412,793
Provision for insurance service	744,136,209
Others	272,584,217
TOTAL	3,398,651,488
<i>In which:</i>	
<i>Due to other parties</i>	2,672,293,235
<i>Due to related parties (Note 22)</i>	726,358,253

14. OTHER SHORT-TERM PAYABLES

	VND
	31 December 2019
Social insurance, health insurance, unemployment insurance	249,454,394
Others	228,206
TOTAL	249,682,600

15. LONG-TERM LOAN

		VND	
	Withdrawn in period	Foreign exchange difference	31 December 2019
Loans from related parties (Note 22)	2,077,972,000	4,192,086	2,082,164,086

The Company obtained this long-term loan from Amtrust Mobile Solutions Singapore PTE.LTD, parent company, to finance its working capital requirements and bear interest rate of 2.5% per annum. Details are as follows:

	31 December 2019	Original amount	Maturity date	Description of collateral
	VND	USD		
Loan 1	2,082,164,086	89,800	From 31 December 2021 to 31 December 2022	Unsecured

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

16. OWNERS' EQUITY**16.1 Movement in owners' equity**

	Contributed share capital	Share premium	Accumulated losses	VND Total
<i>For the period from 6 June 2019 (date of incorporation) to 31 December 2019</i>				
As at 6 June 2019	-	-	-	-
Capital contribution	235,000,000	(90,311)	-	234,909,689
Loss for the period	-	-	(4,113,219,427)	(4,113,219,427)
As at 31 December 2019	<u>235,000,000</u>	<u>(90,311)</u>	<u>(4,113,219,427)</u>	<u>(3,878,309,738)</u>

16.2 Contributed charter capital

	<i>As per Investment Certificate</i>			<i>Contributed share capital</i>
	<i>Share capital</i>	<i>% of ownership</i>		
	<i>Equivalent to VND</i>	<i>USD</i>		
Amtrust Mobile Solutions Singapore PTE.LTD	233,000,000	10,063	99.14	233,000,000
Amtrust Mobile Solutions Malaysia SND.BHD	1,000,000	43	0.43	1,000,000
Amtrust Mobile Solutions Philippines INC.	<u>1,000,000</u>	<u>43</u>	<u>0.43</u>	<u>1,000,000</u>
TOTAL	<u>235,000,000</u>	<u>10,149</u>	<u>100</u>	<u>235,000,000</u>

16.3 Shares

	<i>As at 31 December 2019</i>	
	<i>Quantity</i>	<i>Amount VND</i>
Shares authorised to be issued	23,500	235,000,000
Shares issued and fully paid	23,500	235,000,000
Ordinary shares	23,500	235,000,000
Shares in circulation	23,500	235,000,000
Ordinary shares	23,500	235,000,000

The par value of the Company's shares is VND 10,000 per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and
for the period from 6 June 2019 (date of incorporation) to 31 December 2019

17. NET REVENUE FROM RENDERING OF SERVICES

VND

*For the period from
6 June 2019 to
31 December 2019*

Rendering of services

6,029,999,552

18. COST OF SERVICES RENDERED

VND

*For the period from
6 June 2019 to
31 December 2019*

Labour costs
External services
Provision for insurance service
Others

2,382,714,288
1,918,878,030
744,136,209
17,425,832

TOTAL

5,063,154,359

19. FINANCE EXPENSES

VND

*For the period from
6 June 2019 to
31 December 2019*

Foreign exchange losses
Loan Interest

82,260,490
4,335,910

TOTAL

86,596,400

20. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

*For the period from
6 June 2019 to
31 December 2019*

Selling expenses
Labour costs
Expenses for external services
Others

725,191,959
705,100,850
5,579,902
14,511,207

General and administrative expenses
Expenses for external services
labour costs
Depreciation expenses (Notes 8 and 9)
Others

5,093,811,953
3,287,217,549
1,564,545,415
145,318,391
96,730,598

TOTAL

5,819,003,912

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

21. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to Company is 20% of taxable profits.

As the Company reported a loss position for the period from 6 June 2019 to 31 December 2019, no CIT expense has been made.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

21.1 CIT expense

Reconciliation between CIT expense and the accounting loss multiplied by CIT rate is presented below:

	VND
	<i>For the period from 6 June 2019 to 31 December 2019</i>
Accounting loss before tax	(4,938,592,389)
At CIT rate of 20% applicable to the Company	(987,718,478)
<i>Adjustments to:</i>	
Non-deductible expenses	162,728,079
Tax losses available for offset against future taxable income (Note 21.3)	<u>824,990,399</u>
CIT expenses	<u>-</u>

21.2 Current tax

The tax loss of the Company for the period differs from loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

21.3 Deferred tax

The following are the deferred tax asset recognized by the Company:

	VND	
	<i>Balance sheet</i>	<i>Income statement</i>
	<i>31 December 2019</i>	<i>For the period from 6 June 2019 to 31 December 2019</i>
Tax losses available for offset against future taxable income	824,990,399	824,990,399
Foreign exchange loss	<u>382,563</u>	<u>382,563</u>
Deferred tax asset	<u>825,372,962</u>	
Deferred tax income		<u>825,372,962</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

21. CORPORATE INCOME TAX (continued)**21.4 Tax loss carried forward**

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five (5) years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has accumulated tax loss of VND 4,124,951,994 available for offset against future taxable profits. Details is as follows:

				VND
Originating year	Can be utilized up to	Tax loss amount	Utilized up to 31 December 2019	Unutilized at 31 December 2019
2019	2024	<u>4,124,951,994</u>	<u>-</u>	<u>4,124,951,994</u>

The estimated tax loss as per the Company's CIT declaration for the period from 6 June 2019 to 31 December 2019 has not been audited by the local tax authorities as of the date of the financial statement.

22. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period were as follows:

			VND
Related parties	Relationship	Transactions	For the period from 6 June 2019 to 31 December 2019
Amtrust Mobile Solutions Singapore PTE.LTD	Parent Company	Loan	2,077,972,000
		Payment on behalf	1,771,617,667
		Capital contribution	233,000,000
		Loan Interest	4,335,910
Amtrust Mobile Solutions Malaysia SND.BHD	Affiliate	Payment on behalf	5,000,853,381
		Service rendered	3,470,071,916
		Capital contribution	1,000,000
Amtrust Mobile Solutions Philippines INC.	Affiliate	Payment on behalf	62,837,727
		Capital contribution	1,000,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

22. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to related parties at the balance sheet dates were as follows:

			VND
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>31 December 2019</i>
Short-term trade payables			
Amtrust Mobile Solutions Singapore PTE.LTD	Parent Company	Payment on behalf	1,800,441,614
Amtrust Mobile Solutions Malaysia SND.BHD	Affiliate	Payment on behalf	5,000,853,381
		Service rendered	2,794,644,037
Amtrust Mobile Solutions Philippines INC.	Affiliate	Payment on behalf	63,283,680
TOTAL			9,659,222,712
Short-term accrual			
Amtrust Mobile Solutions Malaysia SND.BHD	Affiliate	Service rendered	722,022,343
Amtrust Mobile Solutions Singapore PTE.LTD	Parent Company	Loan Interest	4,335,910
TOTAL			726,358,253
Long-term loan			
Amtrust Mobile Solutions Singapore PTE.LTD	Parent Company	Loan	2,082,164,086

23. LEASE COMMITMENTS

The Company leases office premises under operating lease arrangements. The minimum lease commitments as at the balance sheet date under the operating lease agreements is as follows:

		VND
		<i>31 December 2019</i>
Less than 1 year		516,032,244
From 1 to 5 years		404,645,679
TOTAL		920,677,923

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2019 and

for the period from 6 June 2019 (date of incorporation) to 31 December 2019

24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosure to be made in the financial statements of the Company.

Nguyen Tuong Huy
Preparer/Chief Accountant



Mark Richard Simmons
General Director

30 June 2020