

**LAP PHUONG THANH TRADING AND
MANUFACTURING JOINT STOCK COMPANY**

FINANCIAL STATEMENTS

**For the fiscal year ended 31 December 2024 audited by
NHAN TAM VIET AUDITING COMPANY LIMITED**

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REPORT OF THE BOARD OF DIRECTORS

The CEO of Lap Phuong Thanh Trading and Manufacturing Joint Stock Company presented his report along with the audited financial statement for the fiscal year ending on December 31, 2024.

BUSINESS HIGHLIGHTS

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company was established under the Joint Stock Company Business Registration Certificate No. 0800258431, initially registered on March 17, 2008, issued by the Department of Planning and Investment of Hai Duong Province.

During its operation, the company has made 17 changes to its business registration certificate. The 17th amendment to the Joint Stock Company Business Registration Certificate was issued by the Department of Planning and Investment of Hai Duong Province on February 3, 2023.

The charter capital according to the 17th Business Registration Certificate is 120,000,000,000 VND.

The actual contributed charter capital as of December 31, 2024, is 120,000,000,000 VND

Head office

Address : No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province.
Telephone : 0220.3863658
Fax : 0220.3863659
Tax code : 0 8 0 0 2 5 8 4 3 1

Main business activities:

- Providing training services and driving lessons;
- Renting facilities for conducting driving tests;
- Trading in steel, iron ore, and copper sheets./.

FINANCIAL POSITION AND BUSINESS OPERATIONS

The financial position as of December 31, 2024, the business performance, and cash flow for the fiscal year ending on December 31, 2024, of the Company are presented in the attached financial statements (from page 07 to page 39).

Significant events occurring during the year and after the end of the fiscal year

The CEO of the company affirms that there have been no events occurring after December 31, 2024, up to the time of preparing this financial statement that have not been considered for adjustments or disclosed in the financial statements.

Board of Directors, CEO

The members of the Board of Directors and the CEO of the Company during the year and as of the date of this report are as follows:

LAP PHUONG THANH TRADING AND MANUFACTURING JOINT STOCK COMPANY
REPORT OF THE BOARD OF DIRECTORS(CONT)

Board of Directors

Full name	Position	Date of appointment/dismissal
Mr Pham Anh Tuan	Chairman	Date of appointment: March 30, 2024
Mr Nguyen Xuan Manh	Chairman	Date of dismissal: March 30, 2024
Mrs Pham Thi Huyen	Separate Member of the Board of Directors	Date of appointment: March 30, 2024
Mrs Tran Thi Phuong	Member of the Board of Directors	Date of appointment: March 30, 2024
Mrs Nguyen Thi Phuong Nhung	Member of the Board of Directors	Date of appointment: March 30, 2024
Mr Phan Quang Tiep	Member of the Board of Directors	Date of dismissal: March 30, 2024
Mr Pham Anh Tuan	Member of the Board of Directors	
Mr Pham Van Tao	Member of the Board of Directors	
Mr Nguyen Viet Khoa	Separate Member of the Board of Directors	Date of dismissal: March 30, 2024

General Director

Full name	Position	Date of appointment/dismissal
Mr Pham Van Tao	General Director	

Chief Accountant

Full name	Position	Date of appointment/dismissal
Mrs Do Phuong Anh	Chief Accountant	

Audit Committee

Full name	Position	Date of appointment/dismissal
Mrs Pham Thi Huyen	Chairman	Date of appointment: March 30, 2024
Mr Nguyen Viet Khoa	Chairman	Date of dismissal: March 30, 2024
Mrs Nguyen Thi Phuong Nhung	Member	Date of appointment: March 30, 2024
Mr Phan Quang Tiep	Member	Date of dismissal: March 30, 2024

Auditor

Nhan Tam Viet Auditing Co., Ltd. has audited the financial statements for the fiscal year ending on December 31, 2024.

The CEO's responsibility for the financial statements

The CEO of the company is responsible for preparing the financial statements that accurately and fairly reflect the company's financial position, business performance, and cash flow for the year. In the process of preparing the financial statements, the CEO of the company commits to adhering to the following requirements::

- Establishing and maintaining internal controls that the Board of Directors and Management deem necessary to ensure that the preparation and presentation of the financial statements are free from material misstatements due to fraud or error;
- Selecting appropriate accounting policies and applying these policies consistently;

No : 0905.01.02/2024/BCTC-NTV2

SEPARATE AUDITOR'S REPORT

On the financial statements for the year 2024

Dear : **Board of Members and Board of General Directors**
Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

We have audited the accompanying financial statements of Lap Phuong Thanh Trading and Manufacturing Joint Stock Company, prepared on March 03, 2025, from page 07 to page 39, including: the balance sheet as of December 31, 2024, the income statement, the cash flow statement for the fiscal year ended December 31, 2024, and the notes to the financial statements.

Responsibility of the Director

The CEO of Lap Phuong Thanh Trading and Manufacturing Joint Stock Company is responsible for the preparation and fair presentation of the Company's Financial Statements in accordance with accounting standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations related to the preparation and presentation of the Financial Statements. They are also responsible for internal control that the management determines necessary to ensure that the Financial Statements are free from material misstatements due to fraud or error.

Responsibility of the Auditor

Our responsibility is to express our opinions on these separate financial statements on the basis of our audit. Our audit is conducted in accordance with the Vietnamese Independent Auditing Regulations and Standards. These standards require that we comply with the standards and professional ethical requirements, plan and perform the audit procedures to obtain a reasonable assurance that the financial statements are free from material mistakes.

The audit fieldwork includes the implementation of procedures to obtain audit evidence supporting the amounts and the disclosures in the separate financial statements. The audit procedures are selected on the basis of the auditor's judgment, including the assessments of risks of material mistakes in the financial statements due to errors or fraud. When assessing these risks, the auditor had considered whether the internal control system of the Company related to the preparation and presentation of the separate financial statements is true and fair to design audit procedures that are appropriate with actual situation, however, not provide the opinion on the effectiveness of the internal control system of the Company. The audit also includes our assessment on the appropriateness of the accounting policies applied, the accounting estimates of the Company's Director as well as our evaluation on the overall presentation of the separate financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Opinion

In our opinion, the financial statements referred to above fairly and reasonably present, in all material respects, the financial position of Lap Phuong Thanh Trading and Manufacturing Joint Stock Company as of December 31, 2024, as well as the results of its business operations and cash flows for the fiscal year ending on that date, in accordance with accounting standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations related to the preparation and presentation of financial statements.

Hanoi, March 03, 2025

NHAN TAM VIET AUDITING CO.,LTD
Deputy General Director

Auditor



Nguyen Thi Hanh

Auditor's Certificate No : 1690-2023-124-1

A blue ink signature of Pham Van Tuan.

Pham Van Tuan

Auditor's Certificate No : 4497-2023-124-1

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

BALANCE SHEET

As of December 31, 2024

Unit: VND

ASSET	Code	Explanation	Year end balance	Beginning balance
A - SHORT-TERM ASSETS	100		154.657.392.769	254.001.400.644
I. Cash and cash equivalents	110	V.1	2.417.469.893	1.488.767.286
1. Cash	111		2.417.469.893	1.488.767.286
2. Cash equivalents	112		-	-
II. Short-term financial investment	120	V.2a	1.002.240.000	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123		1.002.240.000	-
III. Short-term receivables	130		60.858.990.160	165.446.847.810
1. Short-term Trade Receivables	131	V.3	58.165.833.614	159.447.695.075
2. Short-term Prepayments to Suppliers	132	V.4	252.031.000	6.116.786.000
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of the construction contracts	134		-	-
5. Receivable on short-term loans	135		-	-
6. Other Short-term Receivables	136	V.5	2.595.956.546	14.748.435
7. Provision for Doubtful Receivables	137	V.6	(154.831.000)	(132.381.700)
8. Deficient assets to be treated	139		-	-
IV. Inventory	140		81.650.141.678	78.975.479.963
1. Inventory	141	V.7	81.650.141.678	78.975.479.963
2. Provision for inventory write-down	149		-	-
V. Other short-term assets	150		8.728.551.038	8.090.305.585
1. Short-term prepaid expenses	151	V.8a	229.878.669	59.718.590
2. Deductible value added tax	152		8.498.672.369	8.030.586.995
3. Taxes and other amounts receivable from the State	153		-	-
4. Government bond repurchase transaction	154		-	-
5. Other short-term assets	155		-	-

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

Balance sheet (Cont.)

ASSET	Code	Explanation	Year end balance	Beginning balance
B - LONG-TERM ASSETS	200		28.221.364.001	29.169.965.967
I. Long-term receivables	210		-	-
1. Long-term receivables from customers	211		-	-
2. Long-term prepayment to seller	212		-	-
3. Working capital in affiliated units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loan receivable	215		-	-
6. Other long-term receivables	216		-	-
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		22.762.718.605	26.867.096.494
1. Tangible fixed assets	221	V.9	21.858.302.148	25.868.243.241
<i>Original price</i>	222		80.078.936.790	79.442.386.760
<i>Accumulated depreciation</i>	223		(58.220.634.642)	(53.574.143.519)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	904.416.457	998.853.253
<i>Original price</i>	228		2.304.720.000	2.304.720.000
<i>Accumulated depreciation</i>	229		(1.400.303.543)	(1.305.866.747)
III. Investment real estate	230		-	-
Original price	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term unfinished assets	240		-	-
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242		-	-
V. Long-term financial investment	250		3.750.000.000	-
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252		-	-
3. Investing in other entities	253	V.2b	3.750.000.000	-
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255		-	-
VI. Other long-term assets	260		1.708.645.396	2.302.869.473
1. Long-term prepaid expenses	261	V.8b	1.708.645.396	2.302.869.473
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		182.878.756.770	283.171.366.611

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

Balance sheet (Cont.)

CAPITAL SOURCE	Code	Explanation	Year end balance	Beginning balance
C - LIABILITIES PAYABLE	300		26.214.621.882	140.475.937.797
I. Short-term debt	310		26.214.621.882	139.012.737.797
1. Short-term trade payables	311	V.11	14.950.346.686	124.869.465.990
2. Short-term advance payment buyer	312		-	10.770.000.000
3. Taxes and other payments to the State	313	V.12	4.403.793.140	799.832.322
4. Payable to workers	314		-	-
5. Short-term payable expenses	315		-	5.772.055
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318	V.13	6.665.206.000	-
9. Other short-term payables	319	V.14	195.276.056	366.867.430
10. Short-term loans and finance leases	320		-	2.200.800.000
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		-	-
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
II. Long-term debt	330		-	1.463.200.000
1. Long-term trade payables	331		-	-
2. Long term prepayment buyer	332		-	-
3. Long-term payable expenses	333		-	-
4. Internal payable on working capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term loans and financial leases	338		-	1.463.200.000
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

Balance sheet (Cont.)

CAPITAL SOURCE	Code	Explanation	Year end balance	Beginning balance
D - OWNER'S EQUITY	400		156.664.134.888	142.695.428.814
I. Equity	410	V.15	156.664.134.888	142.695.428.814
1. Owner's equity	411		120.000.000.000	120.000.000.000
- Common shares with voting rights	411a		120.000.000.000	120.000.000.000
- Preferred stock	411b		-	-
2. Capital surplus	412		(149.700.000)	(149.700.000)
3. Bond conversion option	413		-	-
4. Other owners' equity	414		-	-
5. Treasury stock	415		-	-
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		-	-
8. Development investment fund	418		2.585.510.528	2.585.510.528
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		34.228.324.360	20.259.618.286
- Undistributed profit after tax accumulated to the end of previous period	421a		20.064.618.286	17.149.594.750
- Undistributed profit this period	421b		14.163.706.074	3.110.023.536
12. Source of capital for basic construction investment	422		-	-
II. Other funding sources and funds	430		-	-
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
TOTAL CAPITAL	440		182.878.756.770	283.171.366.611

Prepared by



Vu Quynh Trang

Chief Accountant



Do Phuong Anh

Prepared on March 03, 2025

Manager



Pham Van Tao

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

BUSINESS PERFORMANCE REPORT

2024

Unit: VND

INDICATORS	Code	Explanation	This year	Last year
1. Sales and service revenue	01	VI.1	372.057.657.207	346.752.452.570
2. Revenue deductions	02		-	-
3. Net revenue from sales and services	10		372.057.657.207	346.752.452.570
4. Cost of goods sold	11	VI.2	343.269.919.211	336.088.701.451
5. Gross profit from sales and service provision	20		28.787.737.996	10.663.751.119
6. Financial revenue	21	VI.3	8.278.267	659.636.922
7. Financial costs	22	VI.4	221.689.599	602.007.718
Including: interest expense	23		221.689.599	602.007.718
8. Cost of sales	25	VI.5	1.747.297.401	1.836.996.380
9. Business management costs	26	VI.6	7.589.646.811	5.403.017.458
10. Net operating profit	30		19.237.382.452	3.481.366.485
11. Other income	31	VI.7	116.384.758	517.795.126
12. Other costs	32	VI.8	1.570.054.283	89.305.753
13. Other profits	40		(1.453.669.525)	428.489.373
14. Total accounting profit before tax	50		17.783.712.927	3.909.855.858
15. Current corporate income tax expense	51	VI.9	3.620.006.853	799.832.322
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		<u>14.163.706.074</u>	<u>3.110.023.536</u>
18. Basic Earnings Per Share	70	VI.10	<u>1.180</u>	<u>259</u>
19. Earnings Per Share Decline	71	VI.10	<u>1.180</u>	<u>259</u>

Prepared by



Vu Quynh Trang

Chief Accountant



Do Phuong Anh

Prepared on March 03, 2025

Manager



Pham Van Tao

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

CASH FLOW STATEMENT

(By indirect method)

2024

Unit: VND

INDICATORS	Code	Explanation	This year	Last year
I. Cash flow from operating activities				
1. Profit before tax	01		17.783.712.927	3.909.855.858
2. Adjustments for the following items:				
- Depreciation of fixed assets and investment real estate	02		5.942.991.479	6.279.867.049
- Provisions	03		22.449.300	(53.842.800)
- Exchange rate gains and losses due to revaluation foreign currency monetary items	04		-	-
- Profit and loss from investment activities	05		(119.569.129)	(1.126.292.700)
- Interest expense	06		221.689.599	602.007.718
- Other adjustments	07		-	-
3. Profit from operations before changes in working capital	08		23.851.274.176	9.611.595.125
- Increase, decrease receivables	09		104.087.486.612	(74.321.972.749)
- Increase, decrease inventory	10		(2.674.661.715)	(72.333.367.559)
- Increase, decrease payables	11		(113.662.720.713)	120.903.899.287
- Increase, decrease prepaid expenses	12		424.063.998	1.094.854.981
- Increase, decrease trading securities	13		-	-
- Interest paid	14		(227.461.654)	(605.474.731)
- Corporate income tax paid	15		(1.400.000.000)	(373.515.338)
- Other income from operating activities	16		-	-
- Other expenses for business activities	17		-	-
Net cash flow from operating activities	20		10.397.980.704	(16.023.980.984)
II. Cash flow from investing activities				
1. Money spent on purchasing and constructing fixed assets and other long-term assets	21		(1.327.316.364)	(1.477.009.545)
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		266.000.000	4.663.940.000
3. Money spent on lending, buying debt instruments other units	23		(1.002.240.000)	(11.000.000.000)
4. Proceeds from loan recovery, resale of debt instruments other units	24		-	11.000.000.000
5. Money spent on investment in other entities	25		(3.750.000.000)	-
6. Proceeds from capital investment in other entities	26		-	-
7. Interest income, dividends and profits	27		8.278.267	659.636.922
Net cash flow from investing activities	30		(5.805.278.097)	3.846.567.377

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province

Financial Statements

For the fiscal year ending December 31, 2024

Cash flow statement (Cont.)

INDICATORS	Code	Explanation	This year	Last year
III. Cash flow from financing activities				
1. Proceeds from issuing shares, receiving capital contributions owner	31		-	-
2. Money returned to owners, buyback issued company shares	32		-	-
3. Proceeds from borrowing	33		-	-
4. Loan principal repayment	34		(3.664.000.000)	(2.200.800.000)
5. Lease principal repayment	35		-	-
6. Dividends, profits paid to owners	36		-	(6.000.000.000)
<i>Net cash flow from financing activities</i>	40		<u>(3.664.000.000)</u>	<u>(8.200.800.000)</u>
Net cash flow during the year	50		928.702.607	(20.378.213.607)
Cash and cash equivalents at the beginning of the year	60	V.1	1.488.767.286	21.866.980.893
Impact of foreign exchange rate changes on foreign currency conversion	61		-	-
Cash and cash equivalents at year end	70	V.1	<u>2.417.469.893</u>	<u>1.488.767.286</u>

Prepared by



Vu Quynh Trang

Chief Accountant



Do Phuong Anh

Prepared on March 03, 2025

Manager



Pham Van Tao

LAP PHUONG THANH TRADING AND MANUFACTURING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province.

FINANCIAL REPORT

For the fiscal year ended December 31, 2024

Note to the Financial Statement (Cont)

**NOTES TO THE FINANCIAL STATEMENT
2024**

I. OPERATION FEATURES

- 1. Ownership form** : Joint-stock company
- 2. Operating field** : Provide services, trade
- 3. Business Activities** :
The business activities of the Company include:
 - Provide training services, driving instruction;
 - Rent facilities for conducting driving tests;
 - Trade in plastic pellets, plastic pallets, machinery, steel, iron ore, copper sheets;
 - Trade in products such as plastic pallets, plastic containers, and virgin plastic pellets./.
- 4. Usual Production and Business Cycle:** Within 12 months
- 5. Statement on the comparability of information on financial statements:** The financial statement data for 2024 is completely consistent and ensures comparability with the financial statement data for 2023.
- 6. Employees:**
As of the end of the financial year, the company has 215 employees working (the number at the beginning of the year was 179 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

- 1. Fiscal year**
Fiscal year of the Company is from 1 January to 31 December annually.
- 2. Standard currency unit used in accounting**
The currency used in accounting is the Vietnamese Dong (VND), as receipts and payments are primarily conducted in VND.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

- 1. Accounting System Applied**
The Company applies the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, and other guiding circulars for the implementation of the accounting standards and system issued by the Ministry of Finance.
- 2. Statement of Compliance with Accounting Standards and Accounting System**
The Management assures that the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, as well as the guiding circulars for the implementation of the accounting

LAP PHUONG THANH TRADING AND MANUFACTURING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Hai Tan Ward, Hai Duong City, Hai Duong Province.

FINANCIAL REPORT

For the fiscal year ended December 31, 2024

Note to the Financial Statement (Cont)

standards issued by the Ministry of Finance, have been fully complied with in the preparation of the Financial Statements.

3. Accounting Method Applied

The company uses the general journal accounting method on computers.

IV. ACCOUNTING POLICIES

1. Basis of preparing financial statements

The financial statements are prepared on an accrual basis (except for information related to cash flows).

2. Cash and cash equivalents

Cash includes cash on hand, demand deposits in banks, and monetary gold used for value storage purposes, excluding gold classified as inventory used as raw material for production or goods for sale.

Cash equivalents are short-term investments with a maturity of three months or less from the purchase date, easily convertible into a known amount of cash, and subject to an insignificant risk of changes in value.

3. Receivable

Receivables are presented at their carrying amount, less any allowance for doubtful accounts.

The classification of receivables into customer receivables, intercompany receivables, and other receivables is carried out based on the following principles:

- Accounts receivable from customers reflect trade receivables arising from transactions of a purchase-sale nature between the company and independent buyers, including receivables from the sale of goods for export entrusted to another entity.
- Other receivables reflect non-commercial receivables that are not related to purchase-sale transactions.

An allowance for doubtful accounts is established for each receivable based on the aging of overdue debts or the estimated potential loss, as follows:

- For overdue receivables:
 - 30% of the value for receivables overdue from over 6 months to less than 1 year;
 - 50% of the value for receivables overdue from 1 year to less than 2 years;
 - 70% of the value for receivables overdue from 2 years to less than 3 years;
 - 100% of the value for receivables overdue for 3 years or more.

For receivables that are not yet overdue but are difficult to collect: provisions should be made based on the estimated level of loss.

4. Inventories

Inventories are recognized at the lower of cost and net realizable value.

The cost of inventories is determined as follows:

- • Raw materials, goods: include purchase costs and other directly attributable costs incurred to bring the inventory to its current location and condition.

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- Work in progress: includes only the costs of direct raw materials (or other relevant cost elements, as appropriate).

Net realizable value is the estimated selling price of inventory in the ordinary course of production and business, less estimated costs to complete and estimated costs necessary to sell the inventory. The value of inventories is determined using the weighted average cost method and accounted for using the perpetual inventory system.

An allowance for inventory write-down is made for each inventory item where the cost exceeds its net realizable value. For services in progress, the allowance for write-down is calculated based on each type of service with a distinct price. Any increase or decrease in the allowance for inventory write-downs as of the year-end is recognized in the cost of goods sold.

5. Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenditures incurred by the Company to acquire the asset and prepare it for its intended use. Subsequent costs are capitalized to the asset's cost only if they are certain to result in future economic benefits from the asset's use. Costs that do not meet this condition are recognized as expenses in the period incurred.

When a tangible fixed asset is sold or disposed of, its cost and accumulated depreciation are written off, and any gain or loss arising from the disposal is recognized in income or expense for the year. Tangible fixed assets are depreciated using the straight-line method based on their estimated useful life. The depreciation period for each type of tangible fixed asset is as follows:

<u>Type of fixed assets</u>	<u>Number of years</u>
Buildings and structures	05-25
Machinery and equipment	03-15
Transportation and transmission vehicles	06-10
Management tools and equipment	03-10
Other fixed assets	04-25

6. Intangible fixed assets

Intangible assets are presented at cost less accumulated amortization.

The cost of intangible assets includes all expenditures incurred by the Company to acquire the asset and prepare it for its intended use. Costs related to intangible assets incurred after initial recognition are expensed in the period unless these costs are directly attributable to a specific intangible asset and enhance the future economic benefits of the asset.

When an intangible asset is sold or disposed of, its cost and accumulated amortization are written off, and any gain or loss arising from the disposal is recognized in income or expense for the year.

The Company's intangible assets include:

Software programs

Costs related to computer software programs that are not an integral part of related hardware are capitalized. The cost of computer software includes all expenditures incurred by the Company up to the point the software is ready for use. Computer software is amortized using the straight-line method over a period of 5-25 years.

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7. Prepaid expenses

Prepaid expenses include actual costs that have been incurred but are related to the results of business operations over multiple accounting periods. The company's prepaid expenses include the following costs:

Tools and equipment

Tools and equipment that are put into use are amortized over a straight-line basis with an allocation period not exceeding 3 years.

8. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts owed in the future related to goods and services that have been received. Accrued expenses are recognized based on reasonable estimates of the amounts payable.

The classification of payables into accounts payable to suppliers, accrued expenses, intercompany payables, and other payables is carried out based on the following principles:

- Accounts payable to suppliers represent trade payables arising from the purchase of goods, services, or assets, where the supplier is an independent entity, including amounts payable for imports through a consignee.
- Other payables represent amounts owed that are non-trade in nature and not related to the purchase, sale, or provision of goods and services.

9. The principle of recognizing borrowings and financial lease liabilities

The company must monitor the detailed repayment terms of loans and financial lease liabilities. Amounts with a repayment period longer than 12 months from the date of the financial statement should be presented as long-term loans and financial lease liabilities. Amounts due for repayment within the next 12 months from the date of the financial statement should be presented as short-term loans and financial lease liabilities to ensure proper payment planning.

10. The principle of recognizing equity

Owner's invested capital

The owner's invested capital is recognized based on the actual amount invested by the shareholders

Undistributed profit

Recognizing business results (profit or loss) after corporate income tax and the distribution of profits or handling of losses by the company.

Other funds

The funds are established and used according to the company's charter and the resolutions approved by the Annual General Meeting of Shareholders.

11. Profit Distribution

The after-tax profit is distributed to the members after allocating funds according to the Company's Charter, as well as legal regulations, and upon approval by the Members' Council.

The profit is recognized as a liability when approved by the Members' Council.

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12. Revenue and Income Recognition

Revenue from the sale of goods and finished products

Revenue from the sale of goods and finished products is recognized when the following conditions are met:

- The company has transferred most of the risks and rewards associated with the ownership of the product or goods to the buyer.
- The company no longer retains the control over the goods as the owner or the authority to control the goods.
- Revenue is recognized with reasonable certainty. When the contract specifies that the buyer has the right to return the purchased products or goods under certain conditions, revenue is only recognized when those specific conditions no longer exist and the buyer no longer has the right to return the products or goods (unless the customer has the right to return the goods in exchange for other goods or services).
- The company has received or will receive economic benefits from the sales transaction.
- The costs related to the sales transaction can be reliably estimated.

Revenue from providing services

Revenue from service transactions is recognized when the results of the transaction can be reliably determined. In cases where services are performed over multiple periods, revenue is recognized in the period based on the progress of the work completed as of the end of the accounting period. The results of a service transaction are determined when all of the following conditions are met:

- The revenue is determined to be reasonably certain. When the contract stipulates that the buyer has the right to return the service purchased under specific conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the provided service.
- It is probable that economic benefits will be obtained from the service transaction.
- The portion of the work completed as of the end of the financial year can be determined.
- The costs incurred for the transaction and the costs to complete the service transaction can be determined.

Interest

Interest is recognized on an accrual basis, determined based on the balance of deposit accounts and the actual interest rate for each period.

13. The principle of accounting for the cost of goods sold.

The cost of goods sold for the year is recognized in alignment with the revenue generated during the period and ensures compliance with the prudence principle.

For direct material costs that exceed the normal levels, labor costs, and fixed manufacturing overheads that are not allocated to the inventory value, accountants must immediately charge them to the cost of goods sold (after deducting any compensation, if applicable), even if the products or goods have not yet been identified as sold.

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The provision for inventory write-down is included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value and the original cost of the inventory. When determining the amount of inventory to be written down, accountants must exclude the inventory that has been contracted for sale (with a net realizable value not less than its carrying value) but not yet transferred to the customer, if there is clear evidence that the customer will not forgo the execution of the contract.

14. Borrowing Expenses

Borrowing expenses include interest on loans and other expenses directly related to the borrowings.

Borrowing expenses are recognized as an expense when incurred. In cases where borrowing expenses are directly related to the construction or production of assets under construction that require a significant period (more than 12 months) to be ready for use or sale, these borrowing expenses are capitalized. For loans specifically used for the construction of fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Income generated from the temporary investment of borrowed funds is deducted from the carrying amount of the related assets.

For general borrowings that are used for the purpose of investing in the construction or production of assets under construction, the capitalized borrowing costs are determined based on the capitalization rate applied to the weighted average accumulated costs incurred for the basic construction or production of those assets. The capitalization rate is calculated using the weighted average interest rate of outstanding borrowings for the year, excluding borrowings specifically intended for the creation of a specific asset.

15. The principle of accounting for selling expenses and administrative expenses.

Selling expenses reflect the actual costs incurred in the process of selling products, goods, and providing services, including costs for offering, promoting products, advertising, sales commissions, product warranties (excluding construction activities), storage, packaging, and transportation costs...

Administrative expenses reflect the general management costs of the business, including employee salaries in the management department (wages, allowances, etc.); social insurance, health insurance, union fees, and unemployment insurance for management employees; office materials, tools, depreciation of fixed assets used for management purposes; land rent, business license tax; provision for doubtful receivables; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); and other cash expenses (customer reception, client meetings, etc.).

16. The principle and method of recognizing current corporate income tax expense

Corporate income tax expense is the current income tax, calculated based on taxable income. The taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, as well as adjustments for tax-exempt income and carryforward losses.

Lap Phuong Thanh Trading and Manufacturing Joint-Stock Company enjoys a preferential tax rate of 10% for the entire period of operation on the company's income from socialization activities in the field of education, training, and vocational instruction. For other activities, the company pays corporate income tax at a rate of 20%.

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Note to the Financial Statement (Cont)

17. Financial instruments

i. Financial assets

Classification of financial assets

The company classifies financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. The classification of these financial assets depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

The financial assets are recognized at fair value through the Statement of Profit or Loss

The financial assets are classified as recognized at fair value through the Statement of Profit or Loss if held for trading or categorized as fair value through the Statement of Profit or Loss at the time of initial recognition.

The financial assets are classified into the group of securities held for trading if:

- The financial assets are classified into the group of securities held for trading if they are acquired or created primarily for the purpose of being sold in the short term;
- The financial assets are classified into the group of securities held for trading if the company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the company intends and has the ability to hold until maturity

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on the market.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as financial assets measured at fair value through the Statement of Profit or Loss, held-to-maturity investments, or loans and receivables

The initial carrying amount of a financial asset

Financial assets are recognized on the purchase date and derecognized on the sale date. At the time of initial recognition, financial assets are determined based on the purchase price/issue cost plus any other costs directly attributable to the purchase or issuance of the financial asset.

ii. Financial liabilities

The company classifies financial liabilities into groups: financial liabilities recognized at fair value through the income statement and financial liabilities measured at amortized cost. The classification of financial liabilities depends on their nature and purpose and is determined at the initial recognition.

Financial liabilities recognized at fair value through the income statement

Financial liabilities are classified as recognized at fair value through the income statement if they are held for trading or designated as fair value through the income statement at initial recognition.

Financial liabilities are classified as held-for-trading securities if:

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- Issued or incurred primarily for the purpose of repurchase in the short term;
- The company intends to hold them for short-term profit;
- Derivative financial instruments (except for derivatives designated as a financial guarantee contract or an effective hedging instrument).

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are determined as the initial recognized value of the financial liability minus principal repayments, plus or minus the cumulative amortization of the difference between the initial recognized value and the maturity value using the effective interest method, and minus any reductions (directly or through a provision account) due to impairment or uncollectibility

The effective interest method is a method of calculating the amortized cost of a financial liability or a group of financial liabilities and allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows to be paid or received over the expected life of the financial instrument, or a shorter period if applicable, to the net present carrying amount of the financial liability.

The initial carrying amount of a financial liability

At initial recognition, financial liabilities are measured at the issue price plus any directly attributable transaction costs related to the issuance of the financial liability.

iii. Equity instruments

An equity instrument is a contract that evidences a residual interest in the company's assets after deducting all liabilities.

18. Segment Reporting

A business segment is a separately identifiable component engaged in the production or supply of products or services, with risks and economic benefits that are different from those of other business segments

A geographical segment is a separately identifiable component engaged in the production or supply of products or services within a specific economic environment, with risks and economic benefits different from those of business segments operating in other economic environments.

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Note to the Financial Statement (Cont)**19. Related parties**

Parties are considered related if one party has the ability to control or significantly influence the other party in making financial and operational policy decisions. Parties are also considered related if they are under common control or share significant joint influence.

In considering the relationship of related parties, the substance of the relationship is given more emphasis than its legal form.

Transactions with related parties during the year are presented in note VII.1

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

	<u>Year end balance</u>	<u>Beginning balance</u>
Cash	168.372.704	637.296.341
Demand deposits (non-term bank deposits)	2.249.097.189	851.470.945
Total	<u>2.417.469.893</u>	<u>1.488.767.286</u>

2. Financial Investments**a. Short-term Financial Investments**

It is a one-month term deposit at Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Trung Branch. This deposit is pledged as collateral for loans at Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Trung Branch.

b. Long-term Financial Investments

	<u>Year end balance</u>		<u>Beginning balance</u>	
	<u>Original Cost</u>	<u>Provision</u>	<u>Original Cost</u>	<u>Provision</u>
<i>Equity Investments in Other Entities</i>	3.750.000.000	-	-	-
Red Ocean Vietnam Investment and Import-Export Joint Stock Company (*)	3.750.000.000	-	-	-
Total	<u>3.750.000.000</u>	<u>-</u>	<u>-</u>	<u>-</u>

(*) This is an investment in Red Ocean Vietnam Investment and Import-Export Joint Stock Company under Share Transfer Agreement No. 0705-01/2024/HĐCNCP/RED dated May 7, 2024. According to the agreement, Lap Phuong Thanh Trading and Manufacturing Joint Stock Company acquired 375,000 shares from Mr. Le Van Trung, representing 12.5% of the charter capital, with a total transfer value at par of VND 3,750,000,000.

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Note to the Financial Statement (Cont)**3. Short-term Trade Receivables**

	<u>Year end balance</u>	<u>Beginning balance</u>
Hung Thinh Trading and Service One Member Limited Liability Company	24.161.832.293	85.156.900.759
Baltic Trading and Service Company Limited	18.002.168.127	-
EMJ Ha Nam Joint Stock Company	13.635.777.944	-
Other Customers	2.366.055.250	74.290.794.316
Total	<u>58.165.833.614</u>	<u>159.447.695.075</u>

4. Short-term Prepayments to Suppliers

	<u>Year end balance</u>	<u>Beginning balance</u>
Hai Duong Geological Survey and Construction Joint Stock Company	74.831.000	74.831.000
Urban and Rural Planning Center	40.000.000	40.000.000
Thanh Dong Design Consulting Joint Stock Company	40.000.000	40.000.000
HTP Loc Phat Trading and Service Joint Stock Company	-	5.400.000.000
Other Suppliers	97.200.000	561.955.000
Total	<u>252.031.000</u>	<u>6.116.786.000</u>

5. Other Short-term Receivables

	<u>Year end balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
Deposits and Margins	188.000.000	-	6.000.000	-
Advances	2.407.956.546	-	8.748.435	-
Total	<u>2.595.956.546</u>	<u>-</u>	<u>14.748.435</u>	<u>-</u>

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Note to the Financial Statement (Cont)

6. Provision for Doubtful Receivables

Short-term Prepayments to Suppliers

	Year end balance		Beginning balance	
	Overdue period	Original cost	Overdue period	Original cost
Hai Duong Geological Survey and Construction Joint Stock Company	Overdue for more than 3 years	74.831.000	Quá hạn từ 2-3 năm	74.831.000
Urban and Rural Planning Center	Overdue for more than 3 years	40.000.000	Quá hạn trên 3 năm	40.000.000
Thanh Dong Design Consulting Joint Stock Company	Overdue for more than 3 years	40.000.000	Quá hạn trên 3 năm	40.000.000
Total		154.831.000		154.831.000
				132.381.700

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Note to the Financial Statement (Cont)**7. Inventories**

	<u>Year end balance</u>		<u>Beginning balance</u>	
	<u>Cost price</u>	<u>Provision</u>	<u>Cost price</u>	<u>Provision</u>
Raw Materials and Supplies	513.136.176	-	193.149.088	-
Work-in-Progress Production and Business Costs	4.163.605.502	-	1.808.930.875	-
Goods	76.973.400.000	-	76.973.400.000	-
Total	81.650.141.678	-	78.975.479.963	-

8. Prepaid Expenses**a. Short-term**

	<u>Year end balance</u>	<u>Beginning balance</u>
Tools and Instruments Issued for Use	152.384.166	48.209.500
Fire and Explosion Insurance Fee	37.203.595	-
Other Short-term Prepaid Expenses	40.290.908	11.509.090
Total	229.878.669	59.718.590

b. Long-term

	<u>Year end balance</u>	<u>Beginning balance</u>
Tools and Instruments Issued for Use	157.365.606	515.322.994
Renovation Costs of the Multipurpose Building, Administration Building, and Other Items	523.362.605	447.318.556
Time and Distance Monitoring Equipment for Learning	965.505.560	891.555.552
Vehicle Repair Costs	62.411.625	293.668.352
Other Expenses	-	155.004.019
Total	1.708.645.396	2.302.869.473

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9. Tangible Fixed Assets	Buildings and structures	Machinery and equipment	Transportation and Equipment		Management tools and equipment	Other Fixed Assets	Total
			Transmission	Equipment			
Original cost							
Beginning Balance	53.093.986.791	3.956.513.520	19.435.304.107	2.587.677.842	368.904.500	79.442.386.760	
Purchased during the year	-	1.282.050.000	687.090.909	-	-	1.969.140.909	
Liquidation and Disposal	-	-	(1.332.590.879)	-	-	(1.332.590.879)	
Year-end Balance	53.093.986.791	5.238.563.520	18.789.804.137	2.587.677.842	368.904.500	80.078.936.790	
<i>Including:</i>							
Fully Depreciated but Still in Use	540.038.898	1.906.378.784	21.607.741.535	2.012.157.570	97.354.500	26.163.671.287	
Amortized value							
Beginning Balance	30.440.923.789	2.770.816.756	17.657.425.229	2.471.671.099	233.306.646	53.574.143.519	
Depreciation during the year	4.544.947.212	381.591.324	814.689.619	95.920.024	11.406.504	5.848.554.683	
Liquidation and Disposal	-	-	(1.202.063.560)	-	-	(1.202.063.560)	
Year-end Balance	34.985.871.001	3.152.408.080	17.270.051.288	2.567.591.123	244.713.150	58.220.634.642	
Remaining value							
Beginning Balance	22.653.063.002	1.185.696.764	1.777.878.878	116.006.743	135.597.854	25.868.243.241	
Year-end Balance	18.108.115.790	2.086.155.440	1.519.752.849	20.086.719	124.191.350	21.858.302.148	

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Note to the Financial Statement (Cont)**10. Intangible Fixed Assets**

It consists of computer software

	Original Cost	Accumulated Amortization	Remaining value
Beginning Balance	2.304.720.000	1.305.866.747	998.853.253
Depreciation during the year	-	94.436.796	(94.436.796)
Year-end Balance	2.304.720.000	1.400.303.543	904.416.457

11. Short-term Payables to Suppliers

	Year end balance	Số đầu năm
BPG Shinnihon Joint Stock Company	11.264.069.550	-
Binh Thuan Plastic Group Joint Stock Company	2.137.365.560	82.224.401.653
ELCOM Technology Joint Stock Company	656.170.000	-
Nam Long Company Limited	476.821.735	634.368.018
Other Suppliers	415.919.841	42.010.696.319
Total	14.950.346.686	124.869.465.990

12. Taxes and state contributions

	Beginning balance	Amount to be paid in the year	Amount already paid in the year	Year end balance
Domestic sales VAT	-	295.334.070	-	295.334.070
Corporate income tax	799.832.322	3.620.006.853	(1.400.000.000)	3.019.839.175
Personal income tax	-	249.269.812	(216.100.360)	33.169.452
Other types of taxes	-	1.055.450.443	-	1.055.450.443
Fees, charges, and other payments	-	4.000.000	(4.000.000)	-
Total	799.832.322	5.224.061.178	(1.620.100.360)	4.403.793.140

The company's tax settlement will be subject to inspection by the tax authorities. Since the application of tax laws and regulations to different types of transactions can be interpreted in various ways, the tax amount presented in the financial statements may be adjusted based on the tax authority's decision.

Value-added tax

The company pays value-added tax (VAT) under the credit method with the tax rates for the following activities:

Activity	Tax rate
Driver training and vocational education activities	Exempt from tax
Other activities	8%, 10%

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Note to the Financial Statement (Cont)***Corporate income tax***

Lap Phuong Thanh Trading and Manufacturing Joint Stock Company enjoys a preferential tax rate of 10% throughout its operation period, applied to the income derived from socialization activities in the education and vocational training sector. For other activities, the company pays corporate income tax at a rate of 20%.

Other types of taxes

The company declares and pays in accordance with regulations.

13. Short-term unearned revenue

It is the unearned revenue from advance payments for driver training services.

14. Other short-term payables

	<u>Year end balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	-	240.000.000
Board of Directors' remuneration - Mr. Nguyen Xuan Manh	-	120.000.000
Board of Directors' remuneration - Mr. Pham Van Tao	-	60.000.000
Board of Directors' remuneration - Mr. Pham Anh Tuan	-	60.000.000
<i>Payables to other entities and individuals</i>	195.276.056	126.867.430
Trade union fund	195.276.056	126.857.430
Other short-term payables	-	10.000
Total	<u>195.276.056</u>	<u>366.867.430</u>

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Note to the Financial Statement (Cont)

15. Owner's equity

a) Statement of changes in owner's equity

	Owner's contributed capital	Share premium	Development investment fund	Undistributed after- tax profit	Total
Beginning balance of the previous year	120.000.000.000	(149.700.000)	-	25.855.105.278	145.705.405.278
Profit in the previous year	-	-	-	3.110.023.536	3.110.023.536
Provision for funds	-	-	2.585.510.528	(2.585.510.528)	-
Dividend and profit distribution	-	-	-	(6.000.000.000)	(6.000.000.000)
Payment of remuneration to the Board of Directors and Supervisory Board	-	-	-	(120.000.000)	(120.000.000)
Ending balance of the previous year	<u>120.000.000.000</u>	<u>(149.700.000)</u>	<u>2.585.510.528</u>	<u>20.259.618.286</u>	<u>142.695.428.814</u>
Beginning balance of this year	120.000.000.000	(149.700.000)	2.585.510.528	20.259.618.286	142.695.428.814
Profit in this year	-	-	-	14.163.706.074	14.163.706.074
Payment of remuneration to the Board of Directors and Supervisory Board	-	-	-	(195.000.000)	(195.000.000)
Ending balance of this year	<u>120.000.000.000</u>	<u>(149.700.000)</u>	<u>2.585.510.528</u>	<u>34.228.324.360</u>	<u>156.664.134.888</u>

b) Details of the owner's investment capital

	Year end balance	Rate	Beginning balance	Rate
Mr Phan Quang Tiep	16.350.000.000	13,63%	16.350.000.000	13,63%
Mrs Tran Ngoc Mai	12.600.000.000	10,50%	12.600.000.000	10,50%
Mrs Tran Thi But	7.200.000.000	6,00%	7.200.000.000	6,00%
Mr Pham Anh Tuan	8.860.000.000	7,38%	8.860.000.000	7,38%
Mrs Nguyen Tran Linh Chi	9.918.690.000	8,27%	9.918.690.000	8,27%
Other entities	65.071.310.000	54,22%	65.071.310.000	54,22%
Total	<u>120.000.000.000</u>	<u>100,00</u>	<u>120.000.000.000</u>	<u>100,00</u>

c) Shares

	Year end balance	Beginning balance
Number of shares registered for issuance	12.000.000	12.000.000
Number of shares sold to the public	12.000.000	12.000.000
- Common shares	12.000.000	12.000.000
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of shares outstanding	12.000.000	12.000.000
- Common shares	12.000.000	12.000.000
- Preferred shares	-	-

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Note to the Financial Statement (Cont)

Par value of outstanding shares: 10,000 VND per share.

VI. Supplementary information for items presented in the income statement**1. Revenue from sales and service provision**

	<u>This year</u>	<u>Previous year</u>
Revenue from sales of goods	293.159.651.450	315.259.358.090
Revenue from providing services	78.898.005.757	31.493.094.480
Total	<u>372.057.657.207</u>	<u>346.752.452.570</u>

2. Cost of goods sold

	<u>This year</u>	<u>Previous year</u>
Cost of goods sold	287.087.902.500	308.278.023.605
Cost of services provided	56.182.016.711	27.810.677.846
Total	<u>343.269.919.211</u>	<u>336.088.701.451</u>

3. Financial income

	<u>This year</u>	<u>Previous year</u>
Interest income from term deposits	8.278.267	659.636.922
Total	<u>8.278.267</u>	<u>659.636.922</u>

4. Financial expenses

	<u>This year</u>	<u>Previous year</u>
Interest expenses	221.689.599	602.007.718
Total	<u>221.689.599</u>	<u>602.007.718</u>

5. Selling expenses

	<u>This year</u>	<u>Previous year</u>
Employees expenses	109.933.759	230.142.062
Cost of tools and equipment	15.363.642	-
Outsourced service expenses	1.622.000.000	1.606.854.318
Total	<u>1.747.297.401</u>	<u>1.836.996.380</u>

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Note to the Financial Statement (Cont)**6. Business management expenses**

	<u>This year</u>	<u>Previous year</u>
Employee expenses	3.627.119.968	1.636.053.880
Administrative material costs	82.079.894	35.360.960
Office supplies expenses	396.269.643	164.126.349
Depreciation expenses of fixed assets	2.521.250.172	2.550.609.685
Taxes, fees, and charges	62.563.208	4.000.000
Provision/(Reversal of) provision for doubtful debts	22.449.300	(53.842.800)
Outsourced service expenses	546.069.096	961.453.662
Other expenses	331.845.530	105.255.722
Total	<u>7.589.646.811</u>	<u>5.403.017.458</u>

7. Other income

	<u>This year</u>	<u>Previous year</u>
Profit from the liquidation or sale of fixed assets	111.290.862	466.655.778
Other income	5.093.896	51.139.348
Total	<u>116.384.758</u>	<u>517.795.126</u>

8. Other expenses

	<u>This year</u>	<u>Previous year</u>
Tax penalties and arrears	1.561.941.617	3.797.752
Traffic safety violation fines	-	85.500.000
Other expenses	8.112.666	8.001
Total	<u>1.570.054.283</u>	<u>89.305.753</u>

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Note to the Financial Statement (Cont)**9. Current corporate income tax expenses**

The corporate income tax payable for the year is estimated as follows:

	<u>This year</u>	<u>Previous year</u>
Total accounting profit before tax	17.783.712.927	3.909.855.858
Adjustments to increase or decrease accounting profit to determine taxable corporate income:		
- Adjustments to increase accounting profit	1.654.632.340	89.305.753
<i>Penalties and back taxes</i>	1.561.941.617	89.305.753
<i>Other non-deductible expenses</i>	92.690.723	-
- Adjustments to decrease accounting profit	-	-
Taxable income	<u>19.438.345.267</u>	<u>3.999.161.611</u>
<i>Taxable income from activities subject to a 10% tax rate</i>	13.417.823.400	(987.745.452)
<i>Taxable income from activities subject to a 20% tax rate</i>	<u>6.020.521.867</u>	<u>4.986.907.063</u>
Taxable income	19.438.345.267	3.999.161.611
<i>Corporate income tax payable at a 20% tax rate</i>	3.887.669.053	799.832.322
<i>Corporate income tax difference due to the application of the 10% tax rate</i>	(1.341.782.340)	-
<i>Adjustment of corporate income tax payable from previous years</i>	<u>1.074.120.140</u>	<u>-</u>
Current corporate income tax expense	<u>3.620.006.853</u>	<u>799.832.322</u>

10. Basic/diluted earnings per share

	<u>This year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	14.163.706.074	3.110.023.536
Adjustments to increase or decrease accounting profit to determine the profit attributable to common shareholders:	-	-
Profit used to calculate basic/diluted earnings per share	14.163.706.074	3.110.023.536
Weighted average number of common shares outstanding during the year	<u>12.000.000</u>	<u>12.000.000</u>
Basic/diluted earnings per share	<u>1.180</u>	<u>259</u>

The weighted average number of common shares outstanding during the year is calculated as follows:

	<u>This year</u>	<u>Previous year</u>
Common shares outstanding at the beginning of the year	12.000.000	12.000.000
Impact of common shares issued during the year	-	-
Weighted average common shares outstanding during the year	<u>12.000.000</u>	<u>12.000.000</u>

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Note to the Financial Statement (Cont)**11. Cost by element**

	<u>This year</u>	<u>Previous year</u>
Cost of raw materials and supplies	13.668.612.185	8.898.821.138
Labor cost	22.854.581.590	10.935.101.545
Depreciation expense of fixed assets	5.942.991.479	6.279.867.049
Allowance for doubtful accounts expense	22.449.300	(53.842.800)
Outsourced service costs	23.431.155.466	4.196.713.817
Other cost	1.953.845.530	222.789.454
Total	<u>67.873.635.550</u>	<u>30.479.450.203</u>

VII. OTHER INFORMATION**1. Transactions and balances with related parties**

Related parties of the enterprise include: key management personnel, individuals related to key management personnel, and other related parties.

Transactions and balances with key management personnel and individuals related to key management personnel

Key management personnel include: members of the Board of Directors and executive members (Chief Executive Officer). Individuals related to key management personnel are close family members of the key management personnel.

The income of key management personnel is as follows:

	<u>Position</u>	<u>This year</u>		<u>Previous year</u>	
		<u>Salary</u>	<u>Compensation</u>	<u>Salary</u>	<u>Compensation</u>
Mr Nguyen Xuan Manh	Chairman of the Board of Directors, resigned on March 30, 2024	100.267.308	150.000.000	100.267.308	120.000.000
Mr Phan Quang Tiep	Board Member, resigned on March 30, 2024	-	75.000.000	-	60.000.000
Mr Pham Anh Tuan	Chairman of the Board of Directors, appointed on March 30, 2024	205.980.891	165.000.000	113.061.038	60.000.000
Mr Nguyen Viet Khoa	Separate Board Member, resigned on March 30, 2024	-	55.000.000	-	40.000.000
Mrs Nguyen Thi Phuong Nhung	Board Member, appointed on March 30, 2024	99.855.642	45.000.000	56.036.731	-
Mrs Tran Thi Phuong	Board Member, appointed on March 30, 2024	116.770.975	45.000.000	67.056.231	-
Mrs Pham Thi Huyen	Separate Board Member, appointed on March 30, 2024	-	45.000.000	-	-
Mr Pham Van Tao	Board Member	213.233.391	120.000.000	120.313.538	60.000.000
Mrs Do Phuong Anh	Chief Accountant	120.939.860	-	69.231.115	-

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Note to the Financial Statement (Cont)

2. Department information

A, Information about the business sector

The company has the following main business sectors:

- + Commerce sector: Trading in steel, iron ore, and copper sheets.
- + Service sector: Driver training and testing for motor vehicles.

Information about business results, fixed assets, and other long-term assets, as well as the value of significant non-cash expenses for each business sector of the company is as follows:

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Note to the Financial Statement (Cont)

Information about the business results, fixed assets, and other long-term assets, as well as the value of significant non-cash expenses for each business sector of the company is as follows:

	Commerce sector	Service sector	Total
This year			
Net revenue from sales and services provided to external parties	293.159.651.450	78.898.005.757	372.057.657.207
Total net revenue from sales and services provided	293.159.651.450	78.898.005.757	372.057.657.207
Departmental expenses	(287.087.902.500)	(56.182.016.711)	(343.269.919.211)
Business results by department	6.071.748.950	22.715.989.046	28.787.737.996
Unallocated expenses by department			(9.336.944.212)
Profit from business operations			19.450.793.784
Financial revenue			8.278.267
Financial expenses			(221.689.599)
Other income			116.384.758
Other expenses			(1.570.054.283)
Current corporate income tax expense			(3.620.006.853)
Profit after corporate income tax			14.163.706.074
Total expenses incurred to purchase fixed assets and other long-term assets	-	-	3.114.022.715
Total depreciation expenses and amortization of long-term prepaid expenses	-	-	7.682.097.362

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Note to the Financial Statement (Cont)

Assets and liabilities of each department by business sector of the company are as follows:

	Commerce sector	Service sector	Total
Year end balane			
Direct assets of the department	134.739.562.037	28.091.162.860	162.830.724.897
Allocated assets to the department	-	-	-
Unallocated assets by department			20.048.031.873
Total assets			182.878.756.770
Liabilities directly payable by the department	11.779.997.908	9.835.554.778	21.615.552.686
Liabilities allocated to the department	-	-	-
Liabilities not allocated by department			4.599.069.196
Total liabilities			26.214.621.882
Beginning balance			
Direct assets of the department	164.705.043.975	106.702.013.557	271.407.057.532
Assets allocated to the department	-	-	-
Assets not allocated by department			11.764.309.079
Total assets			283.171.366.611
Direct liabilities of the department	123.435.141.653	12.204.324.337	135.639.465.990
Liabilities allocated to the department	-	-	-
Liabilities not allocated by department			4.836.471.807
Total liabilities			140.475.937.797

B, Information about the geographical area

All activities of the company are conducted solely within the territory of Vietnam.

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Note to the Financial Statement (Cont)**3. Credit risk**

Credit risk is the risk that one party involved in a contract is unable to fulfill its obligations, resulting in financial losses for the company.

The company faces credit risks from business activities (primarily related to accounts receivable from customers) and financial activities (bank deposits, loans, and other financial instruments).

Accounts receivable from customers

The company mitigates credit risk by only transacting with entities that have strong financial capabilities, requiring the opening of letters of credit for first-time or unknown entities regarding their financial capacity. The accounts receivable staff regularly monitors outstanding debts to encourage collection. Based on this approach, and since the company's receivables are spread across various customers, the credit risk is not concentrated on a single customer.

Bank deposits

Most of the company's bank deposits are placed in large, reputable banks in Vietnam. The company recognizes that the concentration of credit risk related to bank deposits is low.

4. Liquidity risk

Liquidity risk is the risk that the company faces difficulties in fulfilling its financial obligations due to a lack of cash.

The CEO is ultimately responsible for managing liquidity risk. The company's liquidity risk mainly arises from the mismatch in the maturity dates of financial assets and financial liabilities.

"The company manages liquidity risk by maintaining an adequate amount of cash and cash equivalents, as well as loans at a level deemed sufficient by the CEO to meet the company's operational needs, thereby minimizing the impact of cash flow fluctuations.

The payment terms of the financial liabilities are based on the expected payments under the contract, without discounting, as follows:

	Within one year	Over 1 year to 5 years	Over 5 years	Total
Year end Balance				
Accounts payable to suppliers	14.950.346.686	-	-	14.950.346.686
Other payables	195.276.056	-	-	195.276.056
Total	15.145.622.742	-	-	15.145.622.742
Beginning Balance				
Loans and borrowings	2.200.800.000	1.463.200.000	-	3.664.000.000
Accounts payable to suppliers	124.869.465.990	-	-	124.869.465.990
Other payables	372.639.485	-	-	372.639.485
Total	127.442.905.475	1.463.200.000	-	128.906.105.475

The company believes that the concentration of risk regarding debt repayment is low. The company has the ability to settle its maturing debts from cash flows from business operations and proceeds from maturing financial assets.

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Note to the Financial Statement (Cont)**5. Fair value of financial assets and liabilities**

	Book value		Fair value	
	Year end balance	Beginning balance	Year end balance	Beginning balance
Financial assets				
Cash and cash equivalents	2.417.469.893	1.488.767.286	2.417.469.893	1.488.767.286
Accounts receivable from customers	58.165.833.614	159.447.695.075	58.165.833.614	159.447.695.075
Other receivables	2.595.956.546	14.748.435	2.595.956.546	14.748.435
Financial assets available for sale	4.752.240.000	-	4.752.240.000	-
Total	67.931.500.053	160.951.210.796	67.931.500.053	160.951.210.796
Financial liabilities				
Loans and borrowings	-	3.664.000.000	-	3.664.000.000
Accounts payable to suppliers	14.950.346.686	124.869.465.990	14.950.346.686	124.869.465.990
Other payables	195.276.056	372.639.485	195.276.056	372.639.485
Total	15.145.622.742	128.906.105.475	15.145.622.742	128.906.105.475

The fair value of financial assets and financial liabilities is reflected by the value at which the financial instruments could be exchanged in a current transaction between knowledgeable and willing parties.

The company uses the following methods and assumptions to estimate the fair value:

- The fair value of cash, short-term bank deposits, accounts receivable from customers, accounts payable to suppliers, and other short-term liabilities is equivalent to their book value, as these instruments have short maturities.
- The fair value of interest-bearing receivables and loans with fixed or variable interest rates is assessed based on information such as interest rates, risk, creditworthiness, and the nature of the risk associated with the debt. Based on this assessment, the company estimates provisions for amounts that may not be recoverable.
- The fair value of financial assets available for sale listed on the stock market is the quoted transaction price at the end of the fiscal year. The fair value of unlisted financial assets available for sale is estimated using appropriate valuation methods.

6. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes three types: foreign exchange risk, interest rate risk, and other price risks.

The sensitivity analysis presented below is based on the value of net debt, assuming that the ratio between fixed-rate debt and floating-rate debt remains unchanged.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates.

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The company's interest rate risk primarily relates to cash and loans.

The company manages interest rate risk by analyzing market conditions to obtain the most favorable interest rates while staying within its risk management limits.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than changes in interest rates and exchange rates.

7. Comparative information

The comparative figures for the beginning of the year are taken from the financial statements for the fiscal year ended December 31, 2023, audited by Nhan Tam Viet Auditing Co., Ltd.

Prepared on March 03, 2025

Prepared by



Vu Quynh Trang

Chief Accountant



Do Phuong Anh

General Director



Pham Van Tao