



**LVA TRADING AND SERVICES  
JOINT STOCK COMPANY**  
**Consolidated financial statements**  
**Quarter 1 of 2025**



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Form No. B 01 - DN

Issued under Circular No. 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

## CONSOLIDATED BALANCE SHEET

As at 31 March 2025

ASSETS	Code	Note	31/03/2025 VND	01/01/2025 VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>43,522,880,993</b>	<b>36,406,026,297</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>3,765,050,858</b>	<b>1,794,564,217</b>
1. Cash	111	5	3,765,050,858	1,794,564,217
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>5,090,802,568</b>	<b>5,137,613,668</b>
1. Trading securities	121	6	5,363,408,852	5,363,408,852
2. Provision for decline in value of trading securities	122		(272,606,284)	(225,795,184)
<b>III. Short-term receivables</b>	<b>130</b>		<b>9,323,544,812</b>	<b>9,088,362,923</b>
1. Short-term trade receivables	131	7	3,550,244,775	1,995,467,354
2. Short-term prepayment to suppliers	132	8	3,374,530,267	6,998,847,850
3. Loan receivables	135		1,650,000,000	-
4. Other short-term receivables	136	9	748,769,770	94,047,719
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>24,820,968,224</b>	<b>19,795,015,313</b>
1. Inventories	141		25,764,217,020	20,738,264,109
2. Provision for decline in value of inventories	149		(943,248,796)	(943,248,796)
<b>V. Other current assets</b>	<b>150</b>		<b>522,514,531</b>	<b>590,470,176</b>
1. Short-term prepaid expenses	151	14.a	334,736,257	375,925,139
2. Deductible VAT	152		187,778,274	214,545,037
3. Taxes and other amounts receivable from the State	153		-	-
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>9,584,491,259</b>	<b>5,290,241,615</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>4,214,356,391</b>	<b>4,310,674,124</b>
1. Tangible fixed assets	221	11	3,094,286,911	3,175,081,465
- Cost	222		5,928,040,024	5,928,040,024
- Accumulated depreciation	223		(2,833,753,113)	(2,752,958,559)
2. Intangible fixed assets	227	12	1,120,069,480	1,135,592,659
- Cost	228		1,681,266,805	1,681,266,805
- Accumulated amortization	229		(561,197,325)	(545,674,146)
<b>III. Investment properties</b>	<b>230</b>		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>4,545,090,909</b>	<b>99,636,364</b>
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	4,545,090,909	99,636,364
<b>V. Long-term financial investments</b>	<b>250</b>		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>825,043,959</b>	<b>879,931,127</b>
1. Long-term prepaid expenses	261	14.b	825,043,959	879,931,127
2. Deferred income tax assets	262		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>53,107,372,252</b>	<b>41,696,267,912</b>

**CONSOLIDATED BALANCE SHEET (cont'd)**  
As at 31 March 2025

RESOURCES	Code	Note	31/03/2025 VND	01/01/2025 VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>20,834,500,527</b>	<b>15,039,768,721</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>20,804,500,527</b>	<b>15,009,768,721</b>
1. Short-term trade payables	311	15	4,759,028,096	3,651,492,375
2. Short-term advances from customers	312	16	2,760,814,683	79,441,311
3. Taxes and amounts payable to the State	313	17	3,367,198,571	1,116,981,802
4. Payables to employees	314		372,756,281	687,567,155
5. Short-term accrued expenses	315	18	286,675,461	193,675,461
6. Other short-term payables	319	19	451,277,264	474,750,000
7. Short-term loans and finance lease liabilities	320	20	8,806,750,171	8,805,860,617
<b>II. Long-term liabilities</b>	<b>330</b>		<b>30,000,000</b>	<b>30,000,000</b>
1. Other long-term payables	337		30,000,000	30,000,000
2. Long-term loans and finance lease liabilities	338		-	-
<b>D. EQUITY</b>	<b>400</b>		<b>32,272,871,725</b>	<b>26,656,499,191</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>21</b>	<b>32,272,871,725</b>	<b>26,656,499,191</b>
1. Share capital	411	21	19,999,340,000	19,999,340,000
- Common shares with voting rights	411a		19,999,340,000	19,999,340,000
- Preferred shares	411b		-	-
2. Share premium	412	21	363,351,953	363,351,953
3. Investment and development fund	418	21	258,207,741	258,207,741
4. Undistributed profit after tax	421	21	11,600,786,647	5,983,748,961
- Undistributed profit after tax up to prior year-end	421a		5,983,748,961	3,089,675,906
- Undistributed profit after tax of current period	421b		5,617,037,687	2,894,073,055
5. Non-controlling interest	429	22	51,185,384	51,850,536
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>53,107,372,252</b>	<b>41,696,267,912</b>



**Truong Thanh Minh**  
Chairman of the BOD

Hanoi City, 23 April 2025

**Pham Thi Thu Phuong**  
Chief Accountant

**Pham Thi Thu Phuong**  
Preparer

## CONSOLIDATED INCOME STATEMENT

Quarter 1 of 2025

Form No. B 02 - DN

Issued under Circular No. 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Quarter 1		Accumulated from the beginning of the year	
			Year 2025 VND	Year 2024 VND	Year 2025 VND	Year 2024 VND
1. Revenue from sales and service provision	01	23	34,290,214,700	2,534,652,522	34,290,214,700	2,534,652,522
2. Revenue deductions	02	24	2,313,489	17,527,480	2,313,489	17,527,480
3. Net revenue from sales and service provision	10		34,287,901,211	2,517,125,042	34,287,901,211	2,517,125,042
4. Cost of sales	11	25	11,995,569,681	2,106,868,010	11,995,569,681	2,106,868,010
<b>5. Gross profit from sales and service provision</b>	<b>20</b>		<b>22,292,331,530</b>	<b>410,257,032</b>	<b>22,292,331,530</b>	<b>410,257,032</b>
6. Financial income	21	26	458,209	244,538	458,209	244,538
7. Financial expenses	22	27	50,177,241	406,010,655	50,177,241	406,010,655
<i>Including: Interest expense</i>	23		-	-	-	-
8. Profit or loss in joint ventures, associates	24		-	-	-	-
9. Selling expenses	25	28.a	14,381,126,391	484,237,416	14,381,126,391	484,237,416
10. Administrative expenses	26	28.b	788,474,924	316,960,328	788,474,924	316,960,328
<b>11. Operating profit</b>	<b>30</b>		<b>7,073,011,183</b>	<b>(796,706,829)</b>	<b>7,073,011,183</b>	<b>(796,706,829)</b>
12. Other income	31	29	8,298,644	10,094,562	8,298,644	10,094,562
13. Other expenses	32	30	1,107,313	17,692,681	1,107,313	17,692,681
<b>14. Other profit</b>	<b>40</b>		<b>7,191,331</b>	<b>(7,598,119)</b>	<b>7,191,331</b>	<b>(7,598,119)</b>
<b>15. Accounting profit before tax</b>	<b>50</b>		<b>7,080,202,514</b>	<b>(804,304,948)</b>	<b>7,080,202,514</b>	<b>(804,304,948)</b>
16. Current corporate income tax expense	51		1,463,829,980	-	1,463,829,980	-
17. Deferred corporate income tax expense	52		-	-	-	-
<b>18. Profit after tax</b>	<b>60</b>		<b>5,616,372,534</b>	<b>(804,304,948)</b>	<b>5,616,372,534</b>	<b>(804,304,948)</b>
19. Attributable to shareholders of the parent company	61		5,617,037,687	(803,555,557)	5,617,037,687	(803,555,557)
20. Attributable to the non-controlling interests	62		(665,153)	(749,391)	(665,153)	(749,391)

LVA TRADING AND SERVICES JOINT STOCK COMPANY  
121 Ba Trieu, Group 11, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED INCOME STATEMENT (cont'd)

Quarter 1 of 2025



Truong Thanh Minh  
Chairman of the BOD

Hanoi City, 23 April 2025

Pham Thi Thu Phuong  
Chief Accountant

Pham Thi Thu Phuong  
Preparer

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Quarter 1 of 2025

Form No. B 03 - DN

Issued under Circular No. 202/2014/TT -

BTC dated 22/12/2014

by the Ministry of Finance

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the quarter	
			Year 2025 VND	Year 2024 VND
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		7,080,202,514	(804,304,948)
2. Adjustments for				
- Depreciation and amortization	02	11;12	96,317,733	97,513,623
- Provisions	03		46,811,100	295,304,316
- Profits/losses from investing activities	05	26	(458,209)	(937,701,818)
- Interest expense	06	27	889,554	1,127,115
3. Operating profit before changes in working capital	08		7,223,762,692	(1,348,061,712)
- Increase/decrease in receivables	09		(3,003,869,671)	(910,402,534)
- Increase/decrease in inventories	10		(5,025,952,911)	(75,930,204)
- Increase/decrease in payables (excluding loan interest and corporate income tax payable)	11		4,380,012,272	669,452,932
- Increase/decrease in prepaid expenses	12		96,076,050	(10,162,345)
- Increase/decrease in trading securities	13		-	642,949,224
- Interest paid	14		(889,554)	(1,127,115)
- Corporate income tax paid	15	17	(50,000,000)	(81,437,679)
- Other cash payments for operating activities	17		-	(13,688,981)
<b>Net cash provided by/(used in) operating activities</b>	<b>20</b>		<b>3,619,138,878</b>	<b>(1,128,408,414)</b>
<b>II. Cash flows from investing activities</b>				
1. Proceeds from sale, disposal of fixed assets and other long-term assets	22		-	299,969,780
2. Cash paid for loans, acquisition of debt instruments	23		(1,650,000,000)	-
3. Recovery of loans, resales of debt instruments	24		-	533,370,000
4. Received loan interest, dividends, profits	27	26	458,209	244,538
<b>Net cash (used in)/provided by investing activities</b>	<b>30</b>		<b>(1,649,541,791)</b>	<b>833,584,318</b>
<b>III Cash flows from financing activities</b>				
1. Proceeds from share issuance, capital contribution	31		-	50,000,000
2. Proceeds from loans	33	18	889,554	-
<b>Net cash provided by financing activities</b>	<b>40</b>		<b>889,554</b>	<b>50,000,000</b>
<b>Net cash flows for the year</b>	<b>50</b>		<b>1,970,486,641</b>	<b>(244,824,096)</b>
Cash and cash equivalents at the beginning of the year	60	5	1,794,564,217	556,731,749
Impacts of exchange rate fluctuations	61		-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>5</b>	<b>3,765,050,858</b>	<b>311,907,653</b>



Truong Thanh Minh  
Chairman of the BOD

Pham Thi Thu Phuong  
Chief Accountant

Pham Thi Thu Phuong  
Preparer

Hanoi City, 23 April 2025

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

Form No. B 09 - DN  
Issued under Circular 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

### 1. Nature of operations

#### 1.1. Overview

LVA Trading and Services Joint Stock Company (“the Company”) has been renamed from Long An Books and Equipment Joint Stock Company, which was established on the basis of the equitization of Long An Books and Equipment Company under Decision No. 4834/QD-UB dated 09/12/2004 issued by the People's Committee of Long An Province. The Company was granted Business Registration Certificate No. 5003000090 by the Planning and Investment Department of Long An Province on 12/01/2005. Since its establishment, the Company’s Business Registration Certificate has been amended 28 times and the most recent amendment was made on 05/12/2024 under Enterprise Code 1100105921. The Company is an independent accounting entity, operating in accordance with the Enterprise Law, its Charter and other relevant regulations.

#### 1.2. Principal scope of business:

Management consultancy activities; Commercial trading.

#### 1.3. Characteristics of operations of the Company during the year that affect the financial statements

The Company restructured its business operations, transferred the book and school equipment business to its subsidiary, Long An Books - Equipment Joint Stock Company. Simultaneously, it launched a new business line that is trading cosmetics and clothing.

#### 1.4. Company structure

The prepared consolidated financial statements comprise the parent company and the subsidiary. The subsidiary is included in these consolidated financial statements. Besides, no subsidiaries are eliminated from the consolidation.

The Company has 01 subsidiary and 01 dependent unit:

Subsidiary: Long An Books - Equipment Joint Stock Company.

- Address: 39 Hai Ba Trung Street, Ward 1, Tan An City, Long An Province;
- Principal scope of business: Commercial trading;
- Ownership rate: 99.5%.

Dependent unit: Ho Chi Minh City Branch – LVA Trading and Services Joint Stock Company.

- Address: 805 Pham Van Dong Street, Linh Dong Ward, Thu Duc City, Ho Chi Minh City.

### 2. Accounting period, currency used in accounting

The Company’s annual accounting period starts on 1 January and ends on 31 December.

Financial statements and accounting transactions are expressed in Vietnamese Dong (VND).

### 3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System which is guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

53/2016/TT-BTC dated 21/3/2016 amending and adding some articles of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

These consolidated financial statements are prepared in compliance with the provisions of Circular No. 202/2014/TT-BTC dated 22/12/2014 on guiding the preparation and presentation of consolidated financial statements.

### 4. Summary of significant accounting policies

#### 4.1 Principles and methods of preparing consolidated financial statements

##### 4.1.1 Basis of consolidation

The Company's consolidated financial statements comprise the financial statements of the Company and its subsidiary.

Subsidiary is the entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of the subsidiary are consolidated from the effective date of control up to the date of cease to control.

The financial statements of the subsidiary are prepared for the same year as the parent company, using consistent accounting policies. Adjustments are made for any differences in accounting policies that may exist to ensure consistency between the subsidiary and the Company.

##### *Elimination of intra-company transactions*

All intra-company balances and transactions, unrealized profits or losses arising from intra-company transactions, have been eliminated in full when preparing the consolidated financial statements.

##### 4.1.2 Business combinations

Assets, liabilities and contingent liabilities in a subsidiary are measured at fair value at the date of the subsidiary acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

##### 4.1.3 Non-controlling interests

Non-controlling interests represent the portion of interest in subsidiaries' net assets not held by the Company and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity. Non-controlling interests in the net assets of consolidated subsidiaries include: non-controlling interests at the acquisition date which are determined according to the fair value of net assets of subsidiaries at the acquisition date; non-controlling interests in the fluctuations of total equity as from the acquisition date to the beginning of the reporting period and non-controlling interests in the fluctuations of total equity arising in the reporting period. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss of subsidiaries not held by the Company, are determined based on the ratio of non-controlling interests and profit after corporate income tax of subsidiaries and are presented separately in the consolidated income statement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 4.2 Exchange rate differences applied in accounting

Transactions denominated in foreign currency are translated into VND using the actual exchange rate announced by the commercial bank where the Company conducts transactions on the date of the transactions.

At the balance sheet date, monetary items denominated in foreign currency which are classified as assets are revaluated using the purchasing exchange rate and monetary items denominated in foreign currency which are classified as liabilities are revaluated using the selling exchange rate of the commercial bank where the Company regularly conducts transactions. Foreign currency deposits in bank are reevaluated using the purchasing exchange rate of the bank where the Company opens foreign currency account.

Exchange rate differences are realized in accordance with the provisions of Vietnamese Accounting Standards No. 10 "Impacts of exchange rate fluctuations". Accordingly, foreign exchange differences arising during the year and exchange rate differences resulting from revaluating the closing balances of monetary items denominated in foreign currencies are recorded in the income statement of the fiscal year.

### 4.3 Cash and cash equivalents

Cash includes cash on hand, cash in bank and cash in transit.

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

### 4.4 Trading securities

Trading securities are securities and other financial instruments (commercial papers, term contract, exchange contract,...) which are held for business purposes.

Trading securities are recorded at cost, comprising: buying prices plus (+) buying costs (if any) such as brokerage, transactions, information provision, taxes, bank's fees and charges. The dividends, profits received for the period before the investment date shall be recorded as a decrease in value of investment.

After initial recognition, trading securities are determined at cost less provision for decline in value of trading securities. At the end of the fiscal year, if the market prices of trading securities devalue against their cost, the provisions for devaluation shall be made.

### 4.5 Receivables

Receivables includes: trade receivables and other receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers.
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or absconding.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 4.6 Inventories

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

Value of inventories is calculated using the weighted average method and accounted for using the perpetual method with cost (materials, goods) comprising costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition;

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

### 4.7 Tangible fixed assets

#### Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

#### Depreciation

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	6 - 25
Machinery, equipment	12
Motor vehicles	10
Office equipment	5

### 4.8 Intangible fixed assets

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The prepaid land rent (has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least five years) for the land rent contract before the effective date of the Land Act 2003 and being granted with certificate of land use right by the competent authority.

The cost of land use right includes all the costs directly attributable to having the legal land use right.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### *Amortization*

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Intangible fixed assets are amortized in accordance with the straight-line method over their estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kinds of asset</u>	<u>Amortization period (years)</u>
Term land use rights	50
Computer software	8

### *4.9 Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company's primary prepayments are as follows:

- Costs of tools and instruments being put into use are amortized in accordance with the straight-line method for a period of no more than 36 months;
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

### *4.10 Payables*

Payables include: trade payables and other payables:

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on the remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and original currencies.

### *4.11 Accrued expenses*

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

### *4.12 Loans and finance lease liabilities*

Loans and finance lease liabilities are reflected at cost and classified into current liabilities and long-term liabilities based on the remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### *Borrowing costs*

Borrowing costs comprise interest and other costs that the Company incurs directly in connection with the borrowing of funds. Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with the Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for only purpose of investment, construction or formation of a specific asset of the Company shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

Capitalisation of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

### *4.13 Owners' equity*

Share capital represents the amount of capital actually contributed by shareholders.

#### *Share premium*

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares; the capital component of convertible bonds as they fall due.

#### *Profit distribution*

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Resolution of General Shareholders' Meeting.

The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

### *4.14 Recognition of revenue and other income*

- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
  - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;
  - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
  - ✓ Interests are recognized on the basis of the actual term and interest rates;
  - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment.

- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

### 4.15 Revenue deductions

Revenue deductions include trade discounts, sales rebates and sales returns.

In case where revenue is recognized in during the year but the corresponding revenue deductions arise after the balance sheet date, revenue shall be decreased in accordance with the following principles:

- If the corresponding deductions arise before the date of releasing the financial statements, they shall be charged against revenue of the reporting year;
- If the corresponding revenue deductions arise after the date of releasing the financial statements, they shall be charged against revenue of the next reporting year.

### 4.16 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

### 4.17 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

### 4.18 Selling expenses, administrative expenses

Selling expenses recognized in the period are expenses actually incurred in process of selling products, goods, rendering services.

Administrative expenses recognized are expenses actually incurred related to the overall administration of enterprises.

### 4.19 Current corporate income tax expense, deferred corporate income tax expense

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 4.20 Financial instruments

#### Initial recognition

##### Financial assets

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets comprise cash on hand, cash in bank, financial investments, trade receivables and other receivables.

##### Financial liabilities

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities comprise loan, trade payables, accrued expenses and other payables.

#### Subsequent measurement

Currently, there has been no requirement for subsequent measurement of financial instruments.

### 4.21 Tax rates and charges paid to the State Budget that the Company is applying.

- Value Added Tax (VAT):
  - Textbooks and reference books supplementing textbooks: Not subject to VAT.
  - Educational equipment and reference books not supplementing textbooks: VAT rate of 5% is applicable;
  - Cosmetics, clothing, stationery, publications: VAT rate of 10% is applicable. From 01/01/2025 to the end of 30/06/2025, the Company is entitled to 8% VAT rate on these goods in accordance with Resolution No. 172/2024/QH15 dated 30/11/2024 of the National Assembly.
- Corporate Income Tax (CIT): CIT rate of 20 % is applicable.
- Other taxes and charges are paid in accordance with the prevailing regulations.

### 4.22 Related parties

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Unit: VND

## 5. Cash

	31/03/2025	01/01/2025
Cash on hand	1,133,227,670	146,632,766
Cash in bank	2,631,823,188	1,647,931,451
Cash in transit	-	-
<b>Total</b>	<b>3,765,050,858</b>	<b>1,794,564,217</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 6. Trading securities

	31/03/2025				01/01/2025			
	Number of shares	Cost	Provision	Fair value	Cost	Provision	Fair value	
- Thien Nam Trading - Import Export JSC (TNA)	719,800	2,935,616,684	(272,356,684)	-	2,935,616,684	(221,970,684)	2,713,646,000	
- Quang Nam Transportation Construction (QTC)	152,800	2,102,967,668	-	-	2,102,967,668	-	2,444,800,000	
- Lam Dong Foodstuffs JSC (VDL)	20,800	249,849,600	(249,600)	-	249,849,600	(249,600)	249,600,000	
- Lam Dong Investment and Hydraulic Construction JSC (LHC)	1,000	74,974,900	-	-	74,974,900	(3,574,900)	71,400,000	
<b>Total</b>		<b>5,363,408,852</b>	<b>(272,606,284)</b>	<b>-</b>	<b>5,363,408,852</b>	<b>(225,795,184)</b>	<b>5,479,446,000</b>	

The fair value of trading securities is determined based on the closing prices of each listed stock symbol at the end of the accounting period (at the Stock Exchanges).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

**7. Short-term trade receivables**

	31/03/2025	01/01/2025
Nguyen Minh Tuan	450,000,000	438,988,788
Vu Kim Thuan	432,207,576	183,798,288
Le Van Anh Fashion Business Household	486,862,000	260,000,000
Others	2,181,175,199	1,112,680,278
<b>Total</b>	<b>3,550,244,775</b>	<b>1,995,467,354</b>

**8. Short-term prepayments to suppliers**

	31/03/2025	01/01/2025
Southern Canh Dieu Book Joint Stock Company	2,339,811,716	-
Thanh Do Valuation Joint Stock Company	10,000,000	10,000,000
Nguyen Thi Nga HBT Business Household	240,000,000	-
One M Global Co.,Ltd	569,869,748	1,302,413,500
Others	214,848,803	5,686,434,350
<b>Total</b>	<b>3,374,530,267</b>	<b>6,998,847,850</b>

**9. Other short-term receivables**

	31/03/2025		01/01/2025	
	Value	Provision	Value	Provision
Advances	63,389,997	-	59,389,997	-
Receivable from employees	530,110,278	-	-	-
Deposits, collaterals	2,726,030	-	32,726,030	-
Others	152,543,465	-	1,931,692	-
<b>Total</b>	<b>748,769,770</b>	<b>-</b>	<b>94,047,719</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 10. Inventories

	31/03/2025		01/01/2025	
	Cost	Provision	Cost	Provision
Merchandise goods	25,764,217,020	(943,248,796)	20,738,264,109	(943,248,796)
<b>Total</b>	<b>25,764,217,020</b>	<b>(943,248,796)</b>	<b>20,738,264,109</b>	<b>(943,248,796)</b>

- Value of the inventories which are in poor quality or slow-moving as at 31/03/2025 is VND943,248,796.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/03/2025.

### 11. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
<b>Cost</b>					
Beginning balance	3,967,056,513	374,338,001	1,542,685,510	43,960,000	5,928,040,024
Newly-purchased	-	-	-	-	-
Sold, disposed	-	-	-	-	-
<b>Ending balance</b>	<b>3,967,056,513</b>	<b>374,338,001</b>	<b>1,542,685,510</b>	<b>43,960,000</b>	<b>5,928,040,024</b>
	<b>3,928,406,419</b>	<b>220,719,355</b>	<b>738,517,756</b>		
<b>Depreciation</b>					
Beginning balance	1,664,392,223	179,894,756	906,733,558	1,938,022	2,752,958,559
Charge for the year	38,488,653	7,882,834	32,225,066	2,198,001	80,794,554
Decrease in the year	-	-	-	-	-
<b>Ending balance</b>	<b>1,702,880,876</b>	<b>187,777,590</b>	<b>938,958,624</b>	<b>4,136,023</b>	<b>2,833,753,113</b>
	<b>1,625,742,129</b>	<b>26,276,110</b>	<b>102,565,804</b>		
<b>Net book value</b>		<b>(161,501,480)</b>			
Beginning balance	2,302,664,290	194,443,245	635,951,952	42,021,978	3,175,081,465
<b>Ending balance</b>	<b>2,264,175,637</b>	<b>186,560,411</b>	<b>603,726,886</b>	<b>39,823,977</b>	<b>3,094,286,911</b>

- No tangible fixed assets were used as collateral or pledged to secure debts as at 31/03/2025.

(\*) Resolution of the Board of Directors No. 49/NQ-STBTH dated 20/12/2023 approved the transfer of the Company's real estate to its subsidiary, Long An Books-Equipment Joint Stock Company, for management, exploitation, and use in serving the business activities of the subsidiary. The transfer period: 10 years from the date of transfer. Accordingly, on 31/12/2023, the Company transferred the following assets to the subsidiary:

- Working house at No. 39 Hai Ba Trung Street, Ward 1, Tan An City, Long An Province.
- Working house at No. 109 Nguyen Trung Truc Street, Ward 1, Tan An City, Long An Province.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 12. Intangible fixed assets

	Land use right (*)	Computer software	Total
<b>Cost</b>			
Beginning balance	1,410,266,805	271,000,000	1,681,266,805
Newly-purchased	-	-	-
Sold, disposed	-	-	-
<b>Ending balance</b>	<b>1,410,266,805</b>	<b>271,000,000</b>	<b>1,681,266,805</b>
<b>Amortization</b>			
Beginning balance	462,622,059	83,052,087	545,674,146
Charge for the year	7,054,428	8,468,751	15,523,179
Sold, disposed	-	-	-
<b>Ending balance</b>	<b>469,676,487</b>	<b>91,520,838</b>	<b>561,197,325</b>
<b>Net book value</b>			
Beginning balance	947,644,746	187,947,913	1,135,592,659
<b>Ending balance</b>	<b>940,590,318</b>	<b>179,479,162</b>	<b>1,120,069,480</b>

(\*) The use right of 903.3 m<sup>2</sup> of land located in Tam Vu Town, Chau Thanh District, Long An Province, with the land use period up to 10/01/2058. Purpose: to open a book and school equipment store. As of 31/12/2023, the Company has transferred it to Long An Books-Equipment Joint Stock Company for management, exploitation, and usage to serve the subsidiary's production and business operations. Transfer duration: 10 years, in accordance with the Board of Directors' Resolution No. 49/NQ-STBTH dated 20/12/2023.

### 13. Construction in progress

	31/03/2025	01/01/2025
Building office	4,545,090,909	99,636,364
<b>Total</b>	<b>4,545,090,909</b>	<b>99,636,364</b>

### 14. Prepaid expenses

#### a. Short-term

	31/03/2025	01/01/2025
Costs of tools and instruments awaiting allocation	65,748,590	81,257,895
House rent	-	240,000,000
Other costs of tools and instruments awaiting allocation	268,987,667	54,667,244
<b>Total</b>	<b>334,736,257</b>	<b>375,925,139</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

**b. Long-term**

	31/03/2025	01/01/2025
Costs of repairing store	-	459,194,200
Costs of tools and instruments awaiting allocation	31,239,689	117,636,917
Other prepaid expenses	793,804,270	303,100,010
<b>Total</b>	<b>825,043,959</b>	<b>879,931,127</b>

**15. Short-term trade payables**

	31/03/2025	01/01/2025
TIKTOK PTE. LTD	902,495,803	-
Bkinternational	346,465,200	-
Meta Platforms Ireland Limited	358,050,106	-
Youth Trading Import Export Company Limited	722,191,606	274,022,521
Gia Dinh Education Publishing Service Joint Stock Company	522,980,000	-
Others	1,906,845,381	3,377,469,854
<b>Total</b>	<b>4,759,028,096</b>	<b>3,651,492,375</b>

**16. Short-term advances from customers**

	31/03/2025	01/01/2025
Phuong Thao Rach Kien Book Store	481,235,050	-
Tre Viet Café	400,000,000	-
Anh Thu Book Store	399,963,630	-
Others	1,479,616,003	79,441,311
<b>Total</b>	<b>2,760,814,683</b>	<b>79,441,311</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 17. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid	Amount actually paid	Ending balance	
	Receivable	Payable			Receivable	Payable
VAT	-	523,386,270	1,725,454,376	902,113,955	-	1,346,726,691
CIT	-	590,928,864	1,463,829,980	50,000,000	-	2,004,758,844
Personal Income Tax	-	2,666,668	32,322,590	19,276,222	-	15,713,036
Land & house tax, land rent	-	-	41,769,533	41,769,533	-	-
Business-license tax	-	-	5,000,000	5,000,000	-	-
Fees, charges and others	-	-	101,770,459	101,770,459	-	-
<b>Total</b>	<b>-</b>	<b>1,116,981,802</b>	<b>3,370,146,938</b>	<b>1,119,930,169</b>	<b>-</b>	<b>3,367,198,571</b>

The Company's tax returns would be subject to examination of tax authorities. The tax amounts reported in these financial statements could later be changed under decision by the tax authorities.

### 18. Short-term accrued expenses

	31/03/2025	01/01/2025
Interest expense	193,675,461	193,675,461
Other accruals	93,000,000	-
<b>Total</b>	<b>286,675,461</b>	<b>193,675,461</b>

### 19. Other short-term payables

	31/03/2025	01/01/2025
Mr. Tran Viet Thang	375,000,000	375,000,000
Mr. Truong Thanh Minh	59,092,264	99,750,000
Other payables	17,185,000	-
<b>Total</b>	<b>451,277,264</b>	<b>474,750,000</b>

### 20. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
- Kafi Securities Corporation	35,860,631	889,554	-	36,750,185
- Mr. Tran Nghia Tam (*)	1,320,000,000	-	-	1,320,000,000
- Ms. Tran Thi Bui (**)	7,449,999,986	-	-	7,449,999,986
<b>Total</b>	<b>8,805,860,617</b>	<b>889,554</b>	<b>-</b>	<b>8,806,750,171</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

(\*) Borrowing from Mr. Tran Nghia Tam under a business cooperation and capital contribution agreement dated 01/10/2024 with a loan limit of VND10,200,000,000. The loan period is until the end of 31/12/2024. Interest rate: 5% per annum calculated from the date of receiving the loan. Borrowing purpose: financing the Company's operating activities.

(\*\*) Borrowing from Ms. Tran Thi Bui under a business cooperation and capital contribution agreement dated 01/10/2024 with a loan limit of VND10,400,000,000. The loan period is until the end of 31/12/2024. Interest rate: 5% per annum calculated from the date of receiving the loan. Borrowing purpose: financing the Company's operating activities.

### 21. Owners' equity

#### a. Statement of changes in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed profit after tax
As at 01/01/2024	19,999,340,000	363,351,953	179,928,732	3,277,545,527
Increase in the year	-	-	78,279,009	2,894,073,055
Decrease in the year	-	-	-	187,869,621
As at 31/12/2024	<u>19,999,340,000</u>	<u>363,351,953</u>	<u>258,207,741</u>	<u>5,983,748,961</u>
As at 01/01/2025	19,999,340,000	363,351,953	258,207,741	5,983,748,961
Increase in the period	-	-	-	5,617,037,687
Decrease in the period	-	-	-	-
As at 31/03/2025	<u>19,999,340,000</u>	<u>363,351,953</u>	<u>258,207,741</u>	<u>11,600,786,647</u>

#### b. Shares

	31/03/2025 Shares	01/01/2025 Shares
Number of shares registered to be issued	1,999,934	1,999,934
Number of shares issued publicly	1,999,934	1,999,934
- Common shares	1,999,934	1,999,934
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	-	-
- Common shares	-	-
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	1,999,934	1,999,934
- Common shares	1,999,934	1,999,934
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

**c. Undistributed profit after tax**

	31/03/2025	01/01/2025
Profit brought forward	5,983,748,961	3,277,545,527
Profit after tax of shareholders of the parent company	5,617,037,687	2,894,073,055
Distribution of profit	-	187,869,621
Distribution of prior-year profit	-	187,869,621
- Appropriated to investment and development fund	-	78,279,009
- Appropriated to reward and welfare fund	-	109,590,612
- Paying dividend	-	-
Temporary distribution of current year profit	-	-
<b>Undistributed profit after tax</b>	<b>11,600,786,647</b>	<b>5,983,748,961</b>

**22. Non-controlling interests**

	31/03/2025	01/01/2025
Beginning balance	51,850,536	-
Increase in the year	(665,153)	51,850,536
- Increase at the date of capital contribution	-	50,000,000
- Increase from business results	(665,153)	1,850,536
Decrease in the year	-	-
<b>Total</b>	<b>51,185,384</b>	<b>51,850,536</b>

**23. Revenue from sales and service provision**

	Quarter 1 of 2025	Quarter 1 of 2024
Sales of cosmetics and clothing	30,219,229,614	-
Sales of textbooks and reference books	1,879,185,381	797,803,744
Sales of educational equipment	171,505,081	27,484,295
Other sales	2,020,294,624	1,709,364,483
<b>Total</b>	<b>34,290,214,700</b>	<b>2,534,652,522</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 24. Revenue deductions

	Quarter 1 of 2025	Quarter 1 of 2024
Sales returns	2,313,489	17,527,480
<b>Total</b>	<b>2,313,489</b>	<b>17,527,480</b>

### 25. Cost of sales

	Quarter 1 of 2025	Quarter 1 of 2024
Cost of cosmetics and clothing sold	8,482,487,368	-
Cost of textbooks and reference books sold	1,636,467,946	669,652,382
Cost of educational equipment sold	138,786,328	23,367,514
Cost of other sales	1,737,828,039	1,413,848,114
<b>Total</b>	<b>11,995,569,681</b>	<b>2,106,868,010</b>

### 26. Financial income

	Quarter 1 of 2025	Quarter 1 of 2024
Deposit interest, loan interest	458,209	244,538
<b>Total</b>	<b>458,209</b>	<b>244,538</b>

### 27. Financial expenses

	Quarter 1 of 2025	Quarter 1 of 2024
Interest expenses	889,554	-
(Reversal)/Appropriation of provision for diminution in value of	46,811,100	406,010,655
Other financial expenses	2,476,587	-
<b>Total</b>	<b>50,177,241</b>	<b>406,010,655</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

**28. Selling expenses and administrative expenses**

**a. Selling expenses**

	Quarter 1 of 2025	Quarter 1 of 2024
Labor costs	589,741,383	-
Other expenses	13,791,385,008	484,237,416
<b>Total</b>	<b>14,381,126,391</b>	<b>484,237,416</b>

**b. Administrative expenses**

	Quarter 1 of 2025	Quarter 1 of 2024
Labor costs	215,025,796	-
Others	573,449,128	316,960,328
<b>Total</b>	<b>788,474,924</b>	<b>316,960,328</b>

**29. Other income**

	Quarter 1 of 2025	Quarter 1 of 2024
Settlement of small debts and overage upon stock-taking	14,695	94,562
Other income	8,283,949	10,000,000
<b>Total</b>	<b>8,298,644</b>	<b>10,094,562</b>

**30. Other expenses**

	Quarter 1 of 2025	Quarter 1 of 2024
Settlement of small debts and shortage upon stock-taking	3,042	24,211
Tax in arrears, tax-related administrative fine	1,104,271	17,668,470
<b>Total</b>	<b>1,107,313</b>	<b>17,692,681</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)

### 31. Basic, diluted earnings per share

	Quarter 1 of 2025	Quarter 1 of 2024
Profit after corporate income tax	5,616,372,534	(804,304,948)
Adjustments increasing or decreasing accounting profit	-	-
- Increase	-	-
- Decrease (reward and welfare fund)	-	(56,301,346)
Profit or loss attributable to common shareholders	5,616,372,534	(804,304,948)
Weighted average number of outstanding common shares	1,999,934	1,999,934
<b>Basic, diluted earnings per shares</b>	<b>2,808</b>	<b>(402)</b>

### 32. Segment reporting

According to Vietnamese Accounting Standard No. 28 and the Circular guiding this Standard, the Company is required to have segment reporting. Accordingly, a segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment.

Based on the Company's reality of operations, the Chairman of the BOD and Management assess that business segments and segments by geographical area have no differences in bearing risks and obtaining returns. Therefore, the Company is operating in a sole business segment, that is commercial trading and its main geographical segment is Vietnam.

### 33. Risk management

#### a. Capital risk management

Through capital management, the Company considers and decides to maintain the appropriate balance of resources and liabilities in each period to ensure that it will be able to continue as a going concern while maximizing the return to the shareholders.

#### b. Financial risk management

Financial risks include market risk (including interest rate risk, price risk and exchange rate risk), credit risk and liquidity risk.

**Market risk management:** The Company's activities expose it primarily to the risks of significant changes in exchange rates and prices.

##### *Exchange rate risk management*

Since the Company undertakes purchase and sale transactions in foreign currencies, consequently it is exposed to risk of exchange rate fluctuations. The Company has hedged risks related to exchange rate fluctuations by optimizing the time for settlement of debts, selecting the appropriate time to purchase and make payment in foreign currencies, projecting future exchange rates and optimizing the utilization of existing funds to balance the exchange rate risk and liquidity risk.

##### *Price risk management*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form part of and should be read in conjunction with the accompanying consolidated financial statements)*

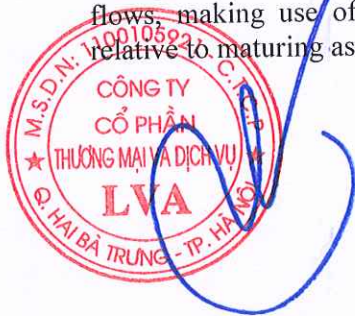
The Company purchases goods from domestic suppliers to serve its trading activities, thus, it is exposed to risks of changes in the prices of the purchased goods. To minimize this risk the Company has searched suppliers and entered into contracts with appropriate and stable discount rates. Moreover, the prices of these goods typically experience minimal fluctuations, thus the Company assesses that its exposure to price risks in business activities is low.

### ***Credit risk management***

The Company's main customers are from stores, retail customers who pay at the counter and COD collection. Some other customers have regular transactions and timely payment. Therefore, the Chairman of the Board of Directors and the Management assume that the Company is not exposed to significant credit risk with customers.

### ***Liquidity risk management***

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds that can be generated within that period,...



**Truong Thanh Minh**  
Chairman of the BOD

*Hanoi City, 23 April 2025*

**Pham Thi Thu Phuong**  
Chief Accountant

**Pham Thi Thu Phuong**  
Preparer

