

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

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025, audited by

NHAN TAM VIET AUDITING COMPANY LIMITED



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LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTOR

The Board of the General Director of Lap Phuong Thanh Production And Trading Joint Stock Company presents its report along with the audited Financial Statements for the fiscal year ending on December 31, 2025.

Business Highlights

Lap Phuong Thanh Production And Trading Joint Stock Company was established under the Joint Stock Company Registration Certificate No. 0800258431 dated March 17, 2008, issued by the Department of Planning and Investment of Hai Duong Province.

During its operations, has amended its enterprise registration certificate eighteen times. The 18th amendment was issued on August 3, 2025, by the Department of Finance of Hai Phong City.

Charter capital according to the 18th Enterprise Registration Certificate: VND 120,000,000,000.

Paid-in charter capital as of December 31, 2025: VND 120,000,000,000

Head office

Address : No. 822, Le Thanh Nghi Boulevard, Tan Hung Ward, Hai Phong City, Vietnam
Telephone : 0220.3863658
Fax : 0220.3863659
Tax Code: : 0 8 0 0 2 5 8 4 3 1

Principal Business Activities:

- Providing driver training and vocational driving instruction services;
- Leasing facilities for driver testing and examination purposes;
- Trading in various commercial goods such as plastic pallets, plastic containers, and virgin plastic resins.

Financial Situation and Business Operations

The financial situation as of December 31, 2025, along with the business performance and cash flows for the fiscal year ending on the same date, is presented in the Financial Statements attached to this report (from page 07 to page 40).

Significant events occurring after the end of the financial year

The Company's Executive Board confirms that no events have occurred after December 31, 2025, up to the date of this report that have not been considered for adjustment or disclosure in the financial statements.

Board of Directors and General Director

The members of the Board of Directors and the General Director of the Company during the year and up to the date of this report are as follows:

Board of Directors

Full name	Position
Mr. Pham Anh Tuan	Chairman of the Board
Ms. Pham Thi Huyen	Independent Member of the Board
Ms. Tran Thi Phuong	Member of the Board
Ms. Nguyen Thi Phuong Nhung	Member of the Board
Mr. Pham Van Tao	Member of the Board

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTOR (Cont)

General Director

Full name	Position
Mr. Pham Van Tao	General Director

Chief Accountant

Full name	Position	
Mr. Nguyen Van Tuong	Person in charge of accounting	Appointed on July 23, 2025
Ms. Do Phuong Anh	Chief Accountant	Resigned on July 23, 2025

Audit Committee

Full name	Position
Ms. Pham Thi Huyen	Chairperson
Ms. Nguyen Thi Phuong Nhung	Member

Auditor

Nhan Tam Viet Auditing Co., Ltd. has audited the Financial Statements for the fiscal year ending December 31, 2025.

General Director's Responsibility Statement for the Financial Statements

The General Director is responsible for preparing the Financial Statements that fairly and accurately reflect the Company's financial position, business performance, and cash flows for the year.

During the preparation of the Financial Statements, the Company's Executive Board commits to complying with the following requirements:

- Establishing and maintaining internal controls as determined necessary by the Executive Board and the Board of Directors 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 them consistently;
- Making reasonable and prudent assessments and estimates;
- Stating whether the applied accounting standards have been complied with and disclosing any material deviations that require explanation in the Financial Statements;
- Preparing and presenting the Financial Statements in compliance with the Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting;
- Preparing the Financial Statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations.

The General Director ensures that accounting records are maintained to accurately and fairly reflect the Company's financial position at any given time and that the Financial Statements comply with the prevailing regulations of the State. Additionally, the Executive Board is responsible for safeguarding the Company's assets and implementing appropriate measures to prevent and detect fraud and other violations.

The General Director commits that the Financial Statements fairly and accurately reflect the Company's financial position as of December 31, 2025, as well as its business performance and cash flows for the fiscal year ending on the same date, in accordance with Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting.

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTOR (Cont)

Other commitments

The General Director commits that the Company complies with the Law on Securities No. 54/2019/QH14 dated November 26, 2019, the amended Law on Securities No. 56/2024/QH15 dated November 29, 2024, and the relevant circulars and decrees guiding the implementation and disclosure of information in the securities market.

Hai Phong, March 03, 2026

General Director



Phạm Văn Tao

No : 1905.01.02/2025/BCTC-NTV2

SEPARATE AUDITOR'S REPORT
Regarding the financial statements for the year 2025**To : Board of Directors, General Director, shareholders**
Lap Phuong Thanh Production And Trading Joint Stock Company

We have audited the accompanying Financial Statements of Lap Phuong Thanh Production And Trading Joint Stock Company, prepared on March 03, 2026, from pages 07 to 40, which include: the Balance Sheet as of December 31, 2025, the Income Statement, the Cash Flow Statement for the fiscal year ending on the same date, and the Notes to the Financial Statements.

Responsibilities of the General Director

The General Director of Lap Phuong Thanh Production And Trading Joint Stock Company is responsible for the preparation and fair presentation of the parent entity's financial statements in accordance with accounting standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations concerning the preparation and presentation of the parent entity's financial statements. The Executive Board is also responsible for internal controls that it determines are necessary to ensure that the preparation and presentation of the parent entity's financial statements are free from material misstatement 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.

Trụ Sở Chính:Tầng 2, tòa nhà Platinum Residences, số 6 Nguyễn Công Hoan,
Phường Ngọc Khánh, Quận Ba Đình, Thành phố Hà Nội, Việt Nam 5**[T]** (84-24) 3761 3399
[W] www/vpaudit.vn**[F]** (84-24) 3761 5599
[E] vpa@ntva.vn**Chi nhánh tại Hà Nội:**

Số 12 Phố Mỹ Trì Hạ, P. Mỹ Trì, Q. Nam Từ Liêm, TP. Hà Nội

Chi nhánh tại TP. Hồ Chí Minh:

98 Vũ Tông Phan, P. An Phú, Q. 2, TP. Hồ Chí Minh

Auditor's Opinion

In our opinion, the Financial Statements present fairly and reasonably, in all material respects, the financial position of Lap Phuong Thanh Production And Trading Joint Stock Company as of December 31, 2025, as well as the results of operations and cash flows for the fiscal year ending on the same date, in accordance with the Accounting Standards, the Vietnamese Corporate Accounting System, and the relevant legal regulations on the preparation and presentation of financial statements.

Hanoi, March 03, 2026

NHAN TAM VIET AUDITING CO.,LTD
Deputy General Director



Pham Van Tuan

Certificate of Auditing Registration No:
4497-2023-124-1

Auditor

Nguyen Thi Tuyet

Certificate of Auditing Registration No:
1475-2023-124-1

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

BALANCE SHEET

As of December 31, 2025

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		148,859,965,305	154,657,392,769
I. Cash and cash equivalents	110	V.1	1,940,163,796	2,417,469,893
1. Cash	111		1,940,163,796	2,417,469,893
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		1,002,240,000	1,002,240,000
1. Trading securities	121		-	-
2. Provisions for diminution in value of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	1,002,240,000	1,002,240,000
III. Short-term receivables	130		59,836,992,601	60,858,990,160
1. Short-term trade receivables	131	V.3	59,632,502,564	58,165,833,614
2. Short-term vendor advance	132	V.4	317,788,522	252,031,000
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135		-	-
6. Other short-term receivables	136	V.5	41,532,515	2,595,956,546
7. Provision for doubtful short-term receivables	137	V.6	(154,831,000)	(154,831,000)
8. Assets missing pending resolution	139		-	-
IV. Inventories	140		80,386,038,077	81,650,141,678
1. Inventories	141	V.7	80,386,038,077	81,650,141,678
2. Allowance for devaluation of inventories	149		-	-
V. Other short-term assets	150		5,694,530,831	8,728,551,038
1. Short-term prepaid expenses	151	V.8a	201,636,146	229,878,669
2. Deductible value added tax	152		5,492,894,685	8,498,672,369
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 PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Balance Sheet (continued)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		26,404,392,615	28,221,364,001
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		20,864,668,460	22,762,718,605
1. Tangible fixed assets	221	V.9	20,053,986,843	21,858,302,148
<i>Original price</i>	222		80,718,946,775	80,078,936,790
<i>Accumulated depreciation</i>	223		(60,664,959,932)	(58,220,634,642)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	810,681,617	904,416,457
<i>Original price</i>	228		2,304,720,000	2,304,720,000
<i>Accumulated depreciation</i>	229		(1,494,038,383)	(1,400,303,543)
III. Investment real estate	230		-	-
Original price	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term unfinished assets	240		188,426,111	-
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242	V.11	188,426,111	-
V. Long-term financial investment	250		3,750,000,000	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	3,750,000,000
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255		-	-
VI. Other long-term assets	260		1,601,298,044	1,708,645,396
1. Long-term prepaid expenses	261	V.8b	1,601,298,044	1,708,645,396
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		175,264,357,920	182,878,756,770

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Balance Sheet (continued)

CAPITAL SOURCE	Code	Note	Ending balance	Beginning balance
C - LIABILITIES PAYABLE	300		21,608,373,229	26,214,621,882
I. Short-term debt	310		20,820,873,229	26,214,621,882
1. Short-term trade payables	311	V.12	7,218,216,212	14,950,346,686
2. Short-term advance payment buyer	312		-	-
3. Taxes and other payments to the State	313	V.13	1,729,914,529	4,403,793,140
4. Payable to employees	314		-	-
5. Short-term payable expenses	315		-	-
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318	V.14	10,708,237,320	6,665,206,000
9. Other short-term payables	319	V.15	954,505,168	195,276,056
10. Short-term loans and finance leases	320	V.16a	210,000,000	-
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		787,500,000	-
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	V.16b	787,500,000	-
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 PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Balance Sheet (continued)

CAPITAL SOURCE	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		153,655,984,691	156,664,134,888
I. Equity	410	V.17	153,655,984,691	156,664,134,888
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		31,220,174,163	34,228,324,360
- Undistributed profit after tax accumulated to the end of previous period	421a		22,108,324,360	20,064,618,286
- Undistributed profit this period	421b		9,111,849,803	14,163,706,074
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		175,264,357,920	182,878,756,770

Prepared by



Nguyen Van Tuong

Person in charge of accounting



Nguyen Van Tuong

Prepared on March 03, 2026

General Director



Pham Van Tao

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

INCOME STATEMENT

2025

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales and service revenue	01	VI.1	316,772,760,525	372,057,657,207
2. Revenue deductions	02		-	-
3. Net revenue from sales and services	10		316,772,760,525	372,057,657,207
4. Cost of goods sold	11	VI.2	298,148,691,853	343,269,919,211
5. Gross profit from sales and service provision	20		18,624,068,672	28,787,737,996
6. Financial revenue	21	VI.3	309,289,224	8,278,267
7. Financial costs	22	VI.4	33,460,192	221,689,599
Including: interest expense	23		33,460,192	221,689,599
8. Cost of sales	25	VI.5	1,207,331,183	1,747,297,401
9. Business management costs	26	VI.6	7,406,181,655	7,589,646,811
10. Net operating profit	30		10,286,384,866	19,237,382,452
11. Other income	31	VI.7	148,636,584	116,384,758
12. Other costs	32	VI.8	12,473,802	1,570,054,283
13. Other profits	40		136,162,782	(1,453,669,525)
14. Total accounting profit before tax	50		10,422,547,648	17,783,712,927
15. Current corporate income tax expense	51	VI.9	1,310,697,845	3,620,006,853
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		9,111,849,803	14,163,706,074
18. Basic earnings per share	70	VI.10	759	1,180
19. Diluted earnings per share	71	VI.10	759	1,180

Prepared on March 03, 2026

Prepared by

Person in charge of accounting

General Director



Nguyen Van Tuong



Nguyen Van Tuong



Pham Van Tao

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

CASH FLOW STATEMENT

(Indirect method)

2025

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flow from operating activities				
1. Profit before tax	01		10,422,547,648	17,783,712,927
2. Adjustments for the following items:				
- Depreciation of fixed assets and investment real estate	02		5,795,856,130	5,942,991,479
- Provisions	03		-	22,449,300
- Exchange rate gains and losses due to revaluation foreign currency monetary items	04		-	-
- Profit and loss from investment activities	05		(127,654,987)	(119,569,129)
- Interest expense	06		33,460,192	221,689,599
- Other adjustments	07		-	-
3. Profit from operations before changes in working capital	08		16,124,208,983	23,851,274,176
- Increase, decrease receivables	09		4,296,895,066	104,087,486,612
- Increase, decrease inventory	10		1,264,103,601	(2,674,661,715)
- Increase, decrease payables	11		(4,836,443,740)	(113,662,720,713)
- Increase, decrease prepaid expenses	12		135,589,875	424,063,998
- Increase, decrease trading securities	13		-	-
- Interest paid	14		(33,460,192)	(227,461,654)
- Corporate income tax paid	15		(2,638,881,228)	(1,400,000,000)
- Other income from operating activities	16		-	-
- Other expenses for business activities	17		-	-
Net cash flow from operating activities	20		14,312,012,365	10,397,980,704
II. Cash flow from investing activities				
1. Money spent on purchasing and constructing fixed assets and other long-term assets	21		(3,947,582,540)	(1,327,316,364)
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		120,000,000	266,000,000
3. Money spent on lending, buying debt instruments other units	23		-	(1,002,240,000)
4. Proceeds from loan recovery, resale of debt instruments other units	24		-	-
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		18,564,078	8,278,267
Net cash flows from investing activities	30		(3,809,018,462)	(5,805,278,097)

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Cash Flow Statement (continued)

ITEMS	Code	Note	Current year	Previous 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		1,050,000,000	-
4. Loan principal repayment	34		(52,500,000)	(3,664,000,000)
5. Lease principal repayment	35		-	-
6. Dividends, profits paid to owners	36		(11,977,800,000)	-
<i>Net cash flows from financing activities</i>	40		(10,980,300,000)	(3,664,000,000)
Net cash flows during the year	50		(477,306,097)	928,702,607
Beginning cash and cash equivalents	60	V.1	2,417,469,893	1,488,767,286
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	1,940,163,796	2,417,469,893

Prepared by



Nguyen Van Tuong

Person in charge of accounting



Nguyen Van Tuong

Prepared on March 03, 2026

General Director



Pham Van Tao

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Notes to the Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

Year 2025

I. OPERATION FEATURES

1. **Ownership form** : Joint Stock Company

2. **Business Highlights**

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

During its operation, the Company has amended its Enterprise Registration Certificate 18 times. The 18th amended Enterprise Registration Certificate was issued by the Department of Finance of Hai Phong City on August 3, 2025.

Charter capital according to the 18th amended Enterprise Registration Certificate: VND 120,000,000,000.

3. **Head office**

Address : No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City
Phone : 0220.3863658
Fax : 0220.3863659
Tax Code : 0 8 0 0 2 5 8 4 3 1

4. **Business sector** : Provision of services and trading

5. **Main Business Lines** :

The Company's main business activities during the year include:

- Providing driver training and vocational driving courses;
- Renting facilities for organizing driving tests;
- Trading goods such as plastic pallets, plastic containers, and virgin plastic pellets.

6. **Usual Production and Business Cycle:** Within 12 months

7. **Company's Operational Characteristics Affecting the Financial Statements:** None

8. **Statement on Comparability of Information in the Financial Statements:**

The financial statement data for 2025 is entirely consistent and ensures comparability with the financial statement data for 2024.

9. **Employees:**

As at the end of the accounting period, the Company had 260 employees (compared to 215 employees at the beginning of the year).

LAP PHUONG THANH PRODUCTION AND TRADING JOINT STOCK COMPANY

Address: No. 822, Le Thanh Nghi Avenue, Tan Hung Ward, Hai Phong City

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Notes to the Financial Statements (continued)

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).

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting Regime Applied

The Company applies the Vietnamese Enterprise Accounting Regime issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC in 2016 which amends and supplements Circular No. 200/2014/TT-BTC, as well as other guiding circulars on the implementation of accounting standards issued by the Ministry of Finance in the preparation of financial statements.

2. Statement of Compliance with Accounting Standards and Accounting System

The General Director ensures compliance with the requirements of accounting standards, the Vietnamese Enterprise Accounting Regime issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC in 2016 which amends and supplements Circular No. 200/2014/TT-BTC, as well as other guiding circulars on the implementation of accounting standards issued by the Ministry of Finance in the preparation of financial statements.

3. Accounting Method Applied

The Company uses the general journal accounting method on computer systems.

IV. ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared on the accrual basis of accounting (except for cash flow information)

2. Cash and Cash Equivalents

Cash includes cash on hand, demand deposits at banks, and monetary gold used for storing value. It does not include gold classified as inventory intended for use as raw materials in production or goods for sale.

Cash equivalents are short-term investments with maturities or redemption terms of no more than 3 months from the date of purchase, which are readily convertible to a known amount of cash and subject to insignificant risk of changes in value.

3. Receivables

Receivables are presented at their carrying amount less allowance for doubtful debts. The classification of receivables into trade receivables and other receivables is carried out based on the following principle:

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FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Notes to the Financial Statements (continued)

- Trade receivables represent amounts due from customers arising from commercial transactions between the Company and independent buyers, including amounts receivable from export sales entrusted to other entities.
- Other receivables represent amounts receivable that are non-commercial in nature and unrelated to purchase-sale transaction.

Allowance for doubtful debts is provided for each doubtful receivable based on the aging of overdue debts or the estimated possible loss, as follows:

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

For receivables not yet overdue but considered unlikely to be collected, allowance is made based on the estimated loss.

4. Inventory

Inventory is recorded at the lower of cost and net realizable value.

The cost of inventory is determined as follows:

- Raw materials and goods: include purchase cost and other directly attributable costs incurred to bring the inventory to its present location and condition.
- Work in progress: includes only the cost of main materials (or other cost elements as appropriate).

Net realizable value is the estimated selling price of the inventory in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory cost is calculated using the weighted average method and accounted for by the perpetual inventory system.

Allowance for inventory devaluation is made for each item where the cost exceeds the net realizable value. For work-in-progress services, the allowance is made by service type with separate pricing levels. Increases or decreases in the allowance for inventory devaluation at the end of the financial year are recorded in the cost of goods sold.

5. Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the Company to acquire the fixed assets up to the point when the assets are ready for use. Subsequent costs are only added to the carrying amount of the tangible fixed assets if they are expected to increase future economic benefits from the use of the assets. Costs that do not meet this criterion are recognized as expenses immediately.

When tangible fixed assets are sold or liquidated, their cost and accumulated depreciation are written off, and any gain or loss arising from the disposal is recognized in income or expenses for the year.

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For the fiscal year ending December 31, 2025

Notes to the Financial Statements (continued)

Tangible fixed assets are depreciated using the straight-line method based on their estimated useful lives. The estimated useful lives of different types of tangible fixed assets are as follows:

<u>Type of Fixed Asset</u>	<u>Years</u>
Buildings and architectural works	05-25
Machinery and equipment	03-15
Transportation and transmission vehicles	06-10
Management equipment and tools	03-10
Other fixed assets	04-25

6. Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets includes all expenditures incurred by the Company to acquire the asset up to the time the asset is ready for use. Subsequent expenditures related to intangible fixed assets are recognized as operating expenses unless they are directly attributable to a specific intangible asset and increase the future economic benefits of the asset.

When intangible fixed assets are sold or disposed of, their cost and accumulated amortization are derecognized, and any resulting gain or loss is recognized in income or expenses for the year.

The Company's intangible fixed 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 comprises all costs incurred by the Company until the software is ready for use. Computer software is amortized on a straight-line basis over a period of 5 to 25 years.

7. Prepaid Expenses

Prepaid expenses include actual costs incurred that relate to the operating results of multiple accounting periods. The Company's prepaid expenses include the following:

Tools and instruments

Tools and instruments put into use are allocated as expenses on a straight-line basis over a period not exceeding 3 years.

8. Liabilities and Accrued Expenses

Liabilities and accrued expenses are recognized for amounts payable in the future related to goods and services received. Accrued expenses are recorded based on reasonable estimates of the amounts payable.

The classification of payables into trade payables and other payables is done according to the following principles:

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Notes to the Financial Statements (continued)

- Trade payables represent amounts payable arising from commercial transactions of purchasing goods, services, and assets, where the sellers are independent entities from the Company, including payables related to imports through entrusted agents.
- Other payables represent amounts payable that are non-commercial in nature and not related to transactions of purchase, sale, or provision of goods and services.

9. Principles for Recognition of Loans and Financial Lease Liabilities

The Company must track in detail the repayment terms of loans and financial lease liabilities. Amounts with repayment terms longer than 12 months from the date of the financial statements are presented as long-term loans and financial lease liabilities. Amounts due within the next 12 months from the date of the financial statements are presented as short-term loans and financial lease liabilities for payment planning purposes.

10. Principles for Recognition of Equity

Owner's Capital Contributions

Owner's capital contributions are recognized at the actual amounts invested by shareholders.

Retained Earnings

Recognizes the business results (profit or loss) after corporate income tax and the status of profit distribution or loss handling by the Company.

Other Funds

Funds are established and used according to the Company's Charter and the annual approval resolutions of the General Meeting of Shareholders.

11. Profit Distribution

Profit after corporate income tax is distributed to shareholders after allocating funds as prescribed in the Company's Charter and legal regulations, and after approval by the General Meeting of Shareholders.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

12. Revenue and Income Recognition

Revenue from Sales of Goods

Revenue from sales of goods is recognized when all of the following conditions are met:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company no longer retains control over the goods sold as the owner or the right to control them.
- Revenue can be measured reliably. If the contract grants the buyer the right to return the goods under specified conditions, revenue is recognized only when those conditions no longer exist and the buyer no longer has the right to return the goods (except in cases where the customer can return goods in exchange for other goods or services).
- The Company has received or will receive economic benefits from the sales transaction.
- The costs incurred or to be incurred in respect of the sales transaction can be measured reliably.

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Notes to the Financial Statements (continued)

Revenue from Service Provision

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

- Revenue can be measured reliably. If the contract grants the buyer the right to return the purchased service under specific conditions, revenue is recognized only when those conditions no longer exist and the buyer no longer has the right to return the provided service.
- It is probable that economic benefits will flow to the Company from the service transaction.
- The proportion of work completed as of the financial year-end can be reliably measured.
- The costs incurred for the transaction and the costs to complete the service provision can be reliably measured.

Interest Income

Interest income is recognized on an accrual basis and is calculated based on the balances of deposit accounts and the actual interest rates for each period.

13. Cost of Goods Sold Accounting Principle.

The cost of goods sold during the year is recognized in line with the revenue generated during the period and complies with the prudence principle.

For direct material costs exceeding the normal consumption level, labor costs, and fixed manufacturing overheads that are not allocated to the value of inventory, these costs must be immediately charged to cost of goods sold (after deducting any compensation, if any), even if the products or goods have not yet been identified as sold.

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 cost of inventory. When determining the quantity of inventory subject to write-down, the accounting must exclude the quantity of inventory under contract for sale (with a net realizable value not less than the book value) but not yet delivered to the customer, provided there is convincing evidence that the customer will not abandon the contract.

14. Borrowing Costs

Borrowing costs include interest expenses and other costs directly related to borrowings.

Borrowing costs are recognized as expenses when incurred. However, borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets that take a substantial period of time (over 12 months) to get ready for their intended use or sale are capitalized. For specific loans used to finance the construction of fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income arising from temporary investments of borrowings reduces the carrying amount of the related asset.

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Notes to the Financial Statements (continued)

For general borrowings that are partly used for the purpose of constructing or producing assets under construction, capitalized borrowing costs are determined based on a capitalization rate applied to the weighted average accumulated expenditures incurred for the construction or production of such assets. The capitalization rate is calculated as the weighted average interest rate of outstanding borrowings during the year, excluding specific borrowings directly attributable to the acquisition of a particular qualifying asset.

15. Accounting Principles for Selling Expenses and General Administrative Expenses

Selling expenses reflect the actual costs incurred in the process of selling products, goods, or providing services. These include costs for sales promotion, product introduction, advertising, sales commissions, warranty costs (excluding construction activities), storage, packaging, transportation, and others.

General administrative expenses reflect the overall management costs of the enterprise, including salaries and wages of administrative staff (salary, wages, allowances, etc.), social insurance, health insurance, trade union fees, unemployment insurance for administrative employees; office supplies, work tools, depreciation of fixed assets used for management; land rent, license tax; provisions for doubtful debts; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); other cash expenses (entertainment, customer conferences, etc.).

16. Accounting Principles and Methods for Recognizing Current Corporate Income Tax Expenses

Corporate income tax expense represents current tax calculated based on taxable income. Taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, non-taxable income, and loss carryforwards.

Lap Phuong Thanh Production and Trading Joint Stock Company enjoys a preferential tax rate of 10% throughout its operational period for income generated from socialized activities in education, training, and vocational training. Other activities are subject to corporate income tax at a rate of 20%.

17. Financial Instruments

i. Financial Assets

Classification of Financial Assets

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

Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss if they are held for trading or designated in the category of fair value through profit or loss at the time of initial recognition.

Financial assets are classified as held-for-trading securities if they meet one of the following criteria:

- Purchased or incurred primarily for the purpose of selling in the near term;
- The company intends to hold them for short-term profit;
- Derivative financial instruments (except for those derivatives designated as financial guarantee contracts or effective hedging instruments).

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FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

Notes to the Financial Statements (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company intends and is able to hold to maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active 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 at fair value through profit or loss, held-to-maturity investments, or loans and receivables.

Initial recognition of financial assets

Financial assets are recognized on the trade date and derecognized on the settlement date. At initial recognition, financial assets are measured at cost, which is the fair value of the consideration paid plus any directly attributable transaction costs.

ii. Financial liabilities

The Company classifies financial liabilities into categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost. The classification depends on the nature and purpose of the financial liability and is determined at initial recognition.

Financial liabilities at fair value through income statements

Financial liabilities are classified as at fair value through profit or loss if they are held for trading or are designated as such at initial recognition.

Financial liabilities classified as held-for-trading include:

- Those issued or incurred principally for the purpose of repurchasing in the near term;
- Those the Company intends to hold for short-term profit;
- Derivative financial instruments (except for derivatives designated as financial guarantee contracts or effective hedging instruments).

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are initially recognized at fair value minus transaction costs and subsequently measured at amortized cost using the effective interest method. This amortized cost is calculated by applying the effective interest rate to the gross carrying amount of the liability, adjusting for principal repayments, and any impairment losses.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial liability.

Initial recognition of financial liabilities

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

iii. Equity instruments

Equity instruments are contracts that evidence a residual interest in the assets of the Company after deducting all liabilities.

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Notes to the Financial Statements (continued)**18. Segment reporting**

A business segment is a separately identifiable component of the Company that engages in producing or supplying products or services and is subject to risks and returns that are different from those of other business segments.

A geographical segment is a separately identifiable component of the Company that produces or supplies products or services within a particular economic environment and is subject to risks and returns that are different from those of components operating in other economic environments.

19. Related parties

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

In assessing relationships between related parties, the substance of the relationship is given more emphasis than the legal form.

Transactions with related parties during the year are disclosed in Note VII.1.

V. ADDITIONAL INFORMATION ON ITEMS PRESENTED IN THE BALANCE SHEET**1. Cash and Cash Equivalents**

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Cash on hand	247,951,968	168,372,704
Demand deposits at banks	1,692,211,828	2,249,097,189
Total	1,940,163,796	2,417,469,893

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

This is a one-month term deposit at Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Trung Branch, used as a performance guarantee for a contract.

b. Long-term financial investments

	<u>Ending Balance</u>		<u>Beginning Balance</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
<i>Investment in other entities</i>	<i>3,750,000,000</i>	<i>-</i>	<i>3,750,000,000</i>	<i>-</i>
Red Ocean Vietnam Import- Export And Investment Joint Stock Company (*)	3,750,000,000	-	3,750,000,000	-
Total	3,750,000,000	-	3,750,000,000	-

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

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Notes to the Financial Statements (continued)**3. Short-term trade receivables**

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Toan Thang Construction Materials and Services Joint Stock Company	18,049,716,295	-
Hung Thinh Trading and Services One Member Limited Liability Company	27,365,030,950	24,161,832,293
Baltic Trading and Services Company Limited	13,839,832,469	18,002,168,127
EMJ Ha Nam Joint Stock Company	-	13,635,777,944
Other customers	377,922,850	2,366,055,250
Total	59,632,502,564	58,165,833,614

4. Short-term advances to suppliers

	<u>Ending 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
Thanh Dong Surveying and Mapping Co., Ltd.	52,917,300	-
Other suppliers	110,040,222	97,200,000
Total	317,788,522	252,031,000

5. Other short-term receivables

	<u>Ending Balance</u>		<u>Beginning Balance</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
Deposits and guarantees Red Ocean Vietnam., JSC – Receivable from business cooperation interest	6,000,000	-	188,000,000	-
Advances	29,072,515	-	-	-
	6,460,000	-	2,407,956,546	-
Total	41,532,515	-	2,595,956,546	-

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Notes to the Financial Statements (continued)

6. Provision for doubtful debts

	Ending Balance		Beginning Balance	
	Overdue period	Gross Amount	Overdue period	Gross Amount
<i>Short-term Prepayments to Suppliers</i>				
Hai Duong Geological Survey and Construction Joint Stock Company	Overdue more than 3 years	74,831,000	Overdue more than 3 years	74,831,000
Urban and Rural Planning Center	Overdue more than 3 years	40,000,000	Overdue more than 3 years	40,000,000
Thanh Dong Design Consulting Joint Stock Company	Overdue more than 3 years	40,000,000	Overdue more than 3 years	40,000,000
Total		154,831,000		154,831,000

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Notes to the Financial Statements (continued)**7. Inventory**

	Ending Balance		Beginning Balance	
	Gross amount	Provision	Gross amount	Provision
Raw materials	99,501,005	-	513,136,176	-
Work in progress	3,313,137,072	-	4,163,605,502	-
Merchandise (*)	76,973,400,000	-	76,973,400,000	-
Total	80,386,038,077	-	81,650,141,678	-

(*)As at the date of the financial statements, the Company's inventories were not impaired in quality, and there were no unfavorable changes in market prices.

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

	Ending Balance	Beginning Balance
Tools and equipment issued for use	66,860,766	152,384,166
Insurance expenses	55,507,934	37,203,595
Other short-term prepaid expenses	79,267,446	40,290,908
Total	201,636,146	229,878,669

b. Long-term

	Ending Balance	Beginning Balance
Tools and equipment issued for use	372,863,386	157,365,606
Renovation and repair of multifunctional houses, administration houses and other items	482,650,000	523,362,605
Monitoring devices for time and distance tracking	650,711,560	965,505,560
Vehicle repair expenses	25,497,638	62,411,625
Other long-term prepaid expenses	69,575,460	-
Total	1,601,298,044	1,708,645,396

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Notes to the Financial Statements (continued)

9. Tangible Fixed Assets

	Buildings and Structures	Machinery and Equipment	Transportation Vehicles	Management Equipment and Tools	Other Fixed Assets	Total
Original Cost						
Beginning Balance	53,093,986,791	5,238,563,520	18,789,804,137	2,587,677,842	368,904,500	80,078,936,790
Purchases during the period	82,525,520	522,200,000	3,293,080,465	-	-	3,897,805,985
Disposals and sales	-	-	(3,257,796,000)	-	-	(3,257,796,000)
Ending Balance	53,176,512,311	5,760,763,520	18,825,088,602	2,587,677,842	368,904,500	80,718,946,775
<i>Including:</i>						
Fully depreciated but still in use	3,000,114,530	2,598,046,975	12,537,018,228	2,556,884,842	97,354,500	20,789,419,075
Accumulated Depreciation						
Beginning Balance	34,985,871,001	3,152,408,080	17,270,051,288	2,567,591,123	244,713,150	58,220,634,642
Depreciation during the period	4,536,790,973	331,224,654	817,566,987	5,132,172	11,406,504	5,702,121,290
Disposals and sales	-	-	(3,257,796,000)	-	-	(3,257,796,000)
Ending Balance	39,522,661,974	3,483,632,734	14,829,822,275	2,572,723,295	256,119,654	60,664,959,932

Net Book Value

Beginning Balance	18,108,115,790	2,086,155,440	1,519,752,849	20,086,719	124,191,350	21,858,302,148
Ending Balance	13,653,850,337	2,277,130,786	3,995,266,327	14,954,547	112,784,846	20,053,986,843

Some assets with original cost and net book value of VND 36,130,686,172 and VND 9,175,228,137 respectively are pledged as collateral to secure loans for Red Ocean Vietnam Import-Export and Investment Joint Stock Company at Military Commercial Joint Stock Bank – Hai Duong Branch.(According to the business cooperation contract No. 11/2023/HBHTKD/RED-LPT dated December 20, 2023, between Lap Phuong Thanh Production And Trading Joint Stock Company and Red Ocean Vietnam Import-Export and Investment Joint Stock Company, and appendix No. 01 dated August 20, 2024).

Assets with an original cost of VND 1,837,085,556 and a net book value of VND 1,745,231,286 have been pledged as collateral to secure a loan at the Joint Stock Commercial Bank for Investment and Development of Vietnam – Thanh Dong Branch.

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Notes to the Financial Statements (continued)**10. Intangible Fixed Assets**

Consists of software programs

	Original Cost	Accumulated Amortization	Net Book Value
Beginning Balance	2,304,720,000	1,400,303,543	904,416,457
Increase During Period	-	93,734,840	(93,734,840)
Ending Balance	2,304,720,000	1,494,038,383	810,681,617

11. Construction in Progress

	Beginning Balance	Costs Incurred During Period	Transferred to Fixed Assets	Ending Balance
Purchase of fixed assets		802,216,429	(726,216,429)	76,000,000
Construction in Progress	-	112,426,111	-	112,426,111
<i>Vocational Education and Driving Test Center Lap Phuong Thanh - Branch 2</i>	-	112,426,111	-	112,426,111
Total	-	914,642,540	(726,216,429)	188,426,111

12. Short-term Payables to Suppliers

	Ending Balance	Beginning Balance
Binh Thuan Plastic Group Joint Stock Company	-	2,137,365,560
BPG SHINNIHON Joint Stock Company	5,867,462,988	11,264,069,550
Other Suppliers	1,350,753,224	1,548,911,576
Total	7,218,216,212	14,950,346,686

13. Taxes and Other Payables to the State

	Beginning Balance	Payables During Period	Payments During Period	Ending Balance
VAT on Domestic Sales	295,334,070	-	(295,334,070)	-
Corporate Income Tax	3,019,839,175	1,310,697,845	(2,638,881,228)	1,691,655,792
Personal Income Tax	33,169,452	728,870,511	(730,321,037)	31,718,926
Other Taxes	-	7,000,000	(7,000,000)	-
Fees, Charges, and Other Payables	1,055,450,443	38,055,100	(1,086,965,732)	6,539,811
Total	4,403,793,140	2,084,623,456	(4,758,502,067)	1,729,914,529

The Company's tax finalization is subject to inspection by the tax authorities. Due to the application of tax laws and regulations on various types of transactions that can be interpreted differently, the tax amounts presented in the financial statements may be adjusted according to decisions made by the tax authorities.

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Notes to the Financial Statements (continued)**Value Added Tax**

The Company applies the VAT deduction method with the following tax rates for its activities:

Activity	Tax Rate
Training and driving instruction (*)	Non-taxable, 8%
Other activities	8%, 10%

From 1 July 2025, the VAT rate applicable to driver training and vocational education activities changed from non-taxable to 8% in accordance with the Law on Value Added Tax No. 48/2024/QH15 dated 26 November 2024 and Decree No. 174/2025/ND-CP dated 17 June 2025.

Corporate Income Tax

Lap Phuong Thanh Production And Trading Joint Stock Company is entitled to a preferential tax rate of 10% throughout its operating period, applied to income from socialized activities in the field of education, training, and vocational instruction. For other activities, the Company is subject to corporate income tax at the standard rate of 20%.

Other Taxes

The Company declares and pays other taxes in accordance with regulations.

14. Short-term Unearned Revenue

This represents the revenue not yet realized from advance payments for driver training services.

15. Other Short-term Payables

	Ending Balance	Beginning Balance
Payables to related parties	660,000,000	-
Remuneration payable to Board of Directors – Mr. Pham Anh Tuan	180,000,000	-
Remuneration payable to Board of Directors – Mr. Pham Van Tao	120,000,000	-
Remuneration payable to Board of Directors – Ms. Tran Thi Phuong	120,000,000	-
Remuneration payable to Board of Directors – Ms. Nguyen Thi Phuong Nhung	120,000,000	-
Remuneration payable to Board of Directors – Ms. Pham Thi Huyen	120,000,000	-
Payables to other entities and individuals	294,505,168	195,276,056
Trade union fee payable	272,305,168	195,276,056
Dividends and profit payable	22,200,000	-
Total	954,505,168	195,276,056

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Notes to the Financial Statements (continued)**16. Borrowings and finance lease liabilities****a. Short-term borrowings and finance lease liabilities**

	Ending Balance		Beginning Balance	
	Value	Amount available for debt repayment	Value	Amount available for debt repayment
Current portion of long-term borrowings (see Note V.16b)				
<i>Loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Thanh Dong Branch</i>	210,000,000	210,000,000	-	-
Total	210,000,000	210,000,000	-	-

The details of the changes in short-term borrowings and finance lease liabilities are as follows:

	Beginning Balance	Loan amount incurred during the year	Transfer from long-term borrowings	Loan amount repaid during the year	Ending Balance
Current portion of long-term borrowings	-	-	210,000,000	-	210,000,000
Total	-	-	210,000,000	-	210,000,000

b. Long-term borrowings and finance lease liabilities

	Ending Balance		Beginning Balance	
	Value	Amount available for debt repayment	Value	Amount available for debt repayment
Long-term bank loans				
<i>Loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Thanh Dong Branch (1)</i>	787,500,000	787,500,000	-	-
Total	787,500,000	787,500,000	-	-

- (1) This represents a loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Thanh Dong Branch under Credit Agreement No. 01/2025/4859716 dated 3 July 2025, with a loan amount of VND 1,050,000,000. The loan is for the purpose of investing in the purchase of transportation vehicles for business operations, with a tenor of 60 months. The collateral comprises three ISUZU training trucks bearing registration numbers 34A-247.41, 34A-488.46 and 34A-026.81, pledged under Collateral Agreement No. 01/2025/4859716/HĐĐB dated 3 July 2025, with a total collateral value of VND 1,800,000,000.

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Notes to the Financial Statements (continued)

The details of the changes in long-term borrowings and finance lease liabilities are as follows:

	Beginning Balance	Loan amount incurred during the year	Loan amount repaid during the year	Transfer from long-term borrowings	Ending Balance
Long-term bank loans	-	1,050,000,000	(52,500,000)	(210,000,000)	787,500,000
Total	-	1,050,000,000	(52,500,000)	(210,000,000)	787,500,000

17. Equity**a) Statement of changes in equity**

	Contributed Capital	Share Premium	Development Investment Fund	Undistributed Profit After Tax	Total
Beginning balance of the previous year	120,000,000,000	(149,700,000)	2,585,510,528	20,259,618,286	142,695,428,814
Profit in the previous year	-	-	-	14,163,706,074	14,163,706,074
Payment of remuneration to Board of Directors and the Audit Committee	-	-	-	(195,000,000)	(195,000,000)
Ending balance of the previous year	120,000,000,000	(149,700,000)	2,585,510,528	34,228,324,360	156,664,134,888
Beginning balance this period	120,000,000,000	(149,700,000)	2,585,510,528	34,228,324,360	156,664,134,888
Cash dividends paid	-	-	-	(12,000,000,000)	(12,000,000,000)
Profit for this period	-	-	-	9,111,849,803	9,111,849,803
Payables for remuneration of the Board of Directors and the Audit Committee	-	-	-	(120,000,000)	(120,000,000)
Ending balance this period	120,000,000,000	(149,700,000)	2,585,510,528	31,220,174,163	153,655,984,691

b) Details of Owners' Equity Contributions

	Ending Balance	Percentage	Beginning Balance	Percentage
Mr. Phan Quang Tiep	16,350,000,000	13.63%	16,350,000,000	13.63%
Ms. Tran Ngoc Mai	12,600,000,000	10.50%	12,600,000,000	10.50%
Ms. 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%
Ms. Nguyen Tran Linh Chi	9,918,690,000	8.27%	9,918,690,000	8.27%
Other parties	65,071,310,000	54.22%	65,071,310,000	54.22%
Total	120,000,000,000	100.00%	120,000,000,000	100.00%

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Notes to the Financial Statements (continued)**c) Shares**

	Ending 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	-	-
Par value of outstanding shares: 10,000 VND/share		

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT**1. Revenue from Sales of Goods and Services Provided**

	Current year	Previous year
Revenue from merchandise sales	246,562,115,900	293,159,651,450
Revenue from service provision	70,210,644,625	78,898,005,757
Total	316,772,760,525	372,057,657,207

2. Cost of Goods Sold

	Current year	Previous year
Cost of goods sold	244,752,809,550	287,087,902,500
Cost of services provided	53,395,882,303	56,182,016,711
Total	298,148,691,853	343,269,919,211

3. Financial Income

	Current year	Previous year
Interest income from deposits and loans	18,564,078	8,278,267
Business cooperation profit	290,725,146	-
Total	309,289,224	8,278,267

4. Financial Expenses

	Current year	Previous year
Interest expenses	33,460,192	221,689,599
Total	33,460,192	221,689,599

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Notes to the Financial Statements (continued)**5. Selling Expenses**

	Current year	Previous year
Employee expenses	109,454,958	109,933,759
Tools and supplies expenses	55,363,632	15,363,642
Outsourced service expenses	970,512,593	1,550,000,000
Other expenses	72,000,000	72,000,000
Total	1,207,331,183	1,747,297,401

6. General and Administrative Expenses

	Current year	Previous year
Employee expenses	3,199,747,453	3,627,119,968
Administrative materials expenses	21,487,091	82,079,894
Office supplies expenses	728,617,544	396,269,643
Depreciation expenses of fixed assets	2,380,629,263	2,521,250,172
Taxes, fees, and charges	17,984,012	62,563,208
Provision expenses	-	22,449,300
Outsourced service expenses	673,856,921	546,069,096
Other expenses	383,859,371	331,845,530
Total	7,406,181,655	7,589,646,811

7. Other Income

	Current year	Previous year
Gain on disposal and sale of fixed assets	109,090,909	111,290,862
Other income	39,545,675	5,093,896
Total	148,636,584	116,384,758

8. Other Expenses

	Current year	Previous year
Tax penalties, tax reassessments, late insurance payments	12,473,802	1,561,941,617
Other expenses	-	8,112,666
Total	12,473,802	1,570,054,283

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Notes to the Financial Statements (continued)**9. Current Corporate Income Tax Expense**

Corporate income tax payable for the period is estimated as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	10,422,547,648	17,783,712,927
Adjustments to accounting profit to determine taxable income:	12,473,802	1,654,632,340
- Increasing adjustments:		
<i>Tax penalties, reassessments</i>	12,473,802	1,561,941,617
<i>Other expenses</i>	-	92,690,723
- Decreasing adjustments:	-	-
Taxable income	10,435,021,450	19,438,345,267
<i>Taxable income subject to 10% tax rate</i>	7,763,064,445	13,417,823,400
<i>Taxable income subject to 20% tax rate</i>	2,671,957,005	6,020,521,867
Taxable income	10,435,021,450	19,438,345,267
<i>Corporate income tax payable at 20% rate</i>	2,087,004,290	3,887,669,053
<i>Corporate income tax difference due to 10% tax rate application</i>	(776,306,445)	(1,341,782,340)
<i>Adjustments of corporate income tax payable from previous years</i>	-	1,074,120,140
Current corporate income tax expense	1,310,697,845	3,620,006,853

10. Basic/Diluted Earnings per Share

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	9,111,849,803	14,163,706,074
Adjustments to accounting profit to determine earnings attributable to common shareholders	-	-
Earnings used to calculate basic/diluted earnings per share	9,111,849,803	14,163,706,074
Weighted average number of common shares outstanding during the period	12,000,000	12,000,000
Basic/diluted earnings per share	759	1,180

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

	<u>Current year</u>	<u>Previous year</u>
Common shares outstanding at the beginning of the year	12,000,000	12,000,000
Effect of common shares issued during the period	-	-
Weighted average number of common shares outstanding during the period	12,000,000	12,000,000

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Notes to the Financial Statements (continued)**11. Expenses by nature**

	<u>Current year</u>	<u>Previous year</u>
Raw materials and supplies expenses	13,836,719,976	13,668,612,185
Labor costs	22,059,598,998	22,854,581,590
Depreciation of fixed assets	5,795,856,130	5,942,991,479
Allowance for doubtful debts expense	-	22,449,300
Outsourced service expenses	18,983,018,346	23,431,155,466
Other expenses	483,733,261	1,953,845,530
Total	61,158,926,711	67,873,635,550

VII. OTHER INFORMATION**1. Transactions and Balances with Related Parties**

Related parties of the Company 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 the Executive Board (General Director). Individuals related to key management personnel are their close family members.

During the year, the Company did not have any transactions with key management personnel or individuals related to key management personnel.

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The remuneration of key management personnel is as follows:

	Position	Year-to-date cumulative			
		Current year	Remuneration	Previous year	Remuneration
		Salary	(*)	Salary	Remuneration
Mr. Pham Anh Tuan	Chairman of the Board of Directors	180,253,385	180,000,000	205,980,891	165,000,000
Ms. Nguyen Thi Phuong Nhung	Member of the Board and Member of the Audit Committee	82,290,654	120,000,000	99,855,642	45,000,000
Ms. Tran Thi Phuong	Member of the Board of Directors	78,014,538	120,000,000	116,770,975	45,000,000
Mr. Pham Van Tao	Member of the Board and General Director	180,519,692	120,000,000	213,233,391	120,000,000
Ms. Pham Thi Huyen	Independent member of the Board of Directors and Chairman of the Audit Committee	-	120,000,000	-	45,000,000
Ms. Do Phuong Anh	Chief Accountant (dismissed on July 23, 2025)	59,361,000	-	120,939,860	-
Mr. Nguyen Van Tuong	Person in charge of accounting (appointed on July 23, 2025)	34,858,077	-	-	-

(*)The Board of Directors' remuneration for 2025 is expected to be paid in 2026.

2. Department Information**A, Information about Business Segments****The Company operates in the following main business segments:**

- + **Trading segment:** Trading plastic pallets, plastic containers, and virgin plastic pellets.
- + **Service segment:** Training and testing for motor vehicle driving licenses.

Information on business results, fixed assets and other long-term assets, and the value of significant non-cash expenses by segment according to the Company's business fields is as follows:

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Notes to the Financial Statements (continued)

Information on business results, fixed assets and other long-term assets, and the value of significant non-cash expenses of the segments by the Company's business fields are as follows:

This year	Trade Segment	Service Segment	Total
Net revenue from sales and services to external customers	246,562,115,900	70,210,644,625	316,772,760,525
Total net revenue from sales and services	246,562,115,900	70,210,644,625	316,772,760,525
Segment expenses	(244,752,809,550)	(53,395,882,303)	(298,148,691,853)
Segment operating results	1,809,306,350	16,814,762,322	18,624,068,672
Unallocated expenses			(8,613,512,838)
Operating profit			10,010,555,834
Financial income			309,289,224
Financial expense			(33,460,192)
Other income			148,636,584
Other expenses			(12,473,802)
Current corporate income tax expense			(1,310,697,845)
Profit after corporate income tax			9,111,849,803
Total costs incurred to acquire fixed assets and other long-term assets	-	5,194,374,208	5,194,374,208
Total depreciation and amortization of prepaid long-term expense	-	(7,011,345,594)	(7,011,345,594)

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Notes to the Financial Statements (continued)

Assets and Liabilities by Business Segment of the Company are as follows:

	Trade Segment	Service Segment	Total
Ending Balance			
Direct assets of the segment	136,227,979,714	25,053,444,020	161,281,423,734
Allocated assets to the segment	-	-	-
Unallocated assets			13,982,934,186
Total assets			175,264,357,920
Direct liabilities of the segment	5,885,462,988	13,038,490,544	18,923,953,532
Allocated liabilities to the segment	-	-	-
Unallocated liabilities			2,684,419,697
Total liabilities			21,608,373,229
Beginning Balance			
Direct assets of the segment	134,739,562,037	28,091,162,860	162,830,724,897
Allocated assets to the segment	-	-	-
Unallocated assets			20,048,031,873
Total assets			182,878,756,770
Direct liabilities of the segment	11,779,997,908	9,835,554,778	21,615,552,686
Allocated liabilities to the segment	-	-	-
Unallocated liabilities			4,599,069,196
Total liabilities			26,214,621,882

B, Information about Geographic Area

All of the Company's operations are conducted solely within the territory of Vietnam.

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Notes to the Financial Statements (continued)**3. Credit Risk**

Credit risk is the risk that a party to a contract fails to fulfill its obligations, resulting in financial loss to the Company.

The Company credit risk from its business activities (mainly related to trade receivables) and financial activities (bank deposits, loans, and other financial instruments).

Accounts Receivable

The Company mitigates credit risk by only dealing with entities with good financial capacity, requiring letters of credit from new or unverified trading partners, and having accounting staff regularly monitor receivables to expedite collections. Based on this and the fact that the Company's receivables relate to many different customers, the credit risk is not concentrated on any single customer.

Bank Deposits

Most of the Company's bank deposits are held with large, reputable banks in Vietnam. The Company considers the credit risk concentration on bank deposits to be low.

4. Liquidity Risk

Liquidity risk is the risk that the Company will have difficulty meeting its financial obligations due to a shortage of cash.

The General Director holds the highest responsibility for managing liquidity risk. The Company's liquidity risk mainly arises from mismatches in the maturity dates of financial assets and financial liabilities.

The Company manages liquidity risk by maintaining an appropriate level of cash and cash equivalents and borrowings at a level deemed sufficient by the General Director to meet the Company's operational needs and minimize the impact of cash flow fluctuations.

The maturity of financial liabilities is based on undiscounted expected contractual payments, as follows:

	From 1 year or less	Over 1 year to 5 years	Over 5 years	Total
Ending Balance				
Borrowings and debts	210,000,000	787,500,000	-	997,500,000
Payables to suppliers	7,218,216,212	-	-	7,218,216,212
Other payables	954,505,168	-	-	954,505,168
Total	8,382,721,380	787,500,000	-	9,170,221,380
Beginning Balance				
Borrowings and debts	-	-	-	-
Payables 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

The Company considers the concentration of risk related to debt repayment to be low. The Company has the ability to meet its due debt obligations from cash flows generated by operating activities and proceeds from maturing financial assets.

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Notes to the Financial Statements (continued)**5. Fair Value of Financial Assets and Financial Liabilities**

	Book Value		Fair Value	
	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance
Financial Assets				
Cash and Cash Equivalents	1,940,163,796	2,417,469,893	1,940,163,796	2,417,469,893
Held-to-maturity Investments	1,002,240,000	1,002,240,000	1,002,240,000	1,002,240,000
Trade Receivables	59,632,502,564	58,165,833,614	59,632,502,564	58,165,833,614
Other Receivables	41,532,515	2,595,956,546	41,532,515	2,595,956,546
Financial Assets Available for Sale	3,750,000,000	3,750,000,000	3,750,000,000	3,750,000,000
Total	66,366,438,875	67,931,500,053	66,366,438,875	67,931,500,053
Financial Liabilities				
Borrowings and debts	997,500,000	-	997,500,000	-
Trade Payables	7,218,216,212	14,950,346,686	7,218,216,212	14,950,346,686
Other Payables	954,505,168	195,276,056	954,505,168	195,276,056
Total	9,170,221,380	15,145,622,742	9,170,221,380	15,145,622,742

The fair value of financial assets and financial liabilities is reflected based on the value at which the financial instrument can be exchanged in a current transaction between knowledgeable and willing parties.

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

- The fair value of cash, short-term bank deposits, trade receivables, trade payables, and other short-term payables approximates their book value, as these instruments have short maturities.
- The fair value of receivables and loans with fixed or variable interest rates is assessed based on factors such as interest rates, credit risk, repayment capacity, and the nature of risks related to the debts. Based on this assessment, the Company estimates provisions for potentially uncollectible amounts.
- The fair value of financial assets available for sale that are listed on the stock market is the published market price as of the financial year-end date. 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: currency risk, interest rate risk, and other price risks.

The sensitivity analyses presented below are prepared on the basis that the net debt value, as well as the proportion of fixed-rate debt and floating-rate debt, remain unchanged.

Currency Risk

Currency 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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Notes to the Financial Statements (continued)**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 mainly relates to cash and loans.

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

Other Price Risks

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

7. Collateral Assets

	Ending Balance	Beginning Balance
Two-storey office building	2,114,827,102	2,688,044,002
Road test ground	3,949,107,311	4,598,504,507
Guardhouse 02	172,694,443	185,498,335
Car parking for driving test	159,193,011	173,614,107
Truck garage for driving test	134,973,490	144,980,686
Vehicle repair garage and standard-structure house	251,087,297	269,703,377
Waiting area for driving test	182,340,886	195,859,978
Renovation of operation building	2,211,004,597	3,474,435,769
Total	9,175,228,137	11,730,640,761

The above-mentioned assets have been pledged as collateral for the loan of Red Ocean Vietnam Import-Export and Investment Joint Stock Company at Military Commercial Joint Stock Bank – Hai Duong Branch

8. Subsequent Events After the Interim Financial Reporting Date

The General Director of the Company confirms that there were no events occurring after December 31, 2025, up to the date of preparation of this interim financial report that require adjustments to the figures or disclosure in the financial statements.

9. Comparative Information

The comparative figures at the beginning of the year were taken from the financial statements for the financial year ended 31 December 2024, which were audited by Nhan Tam Viet Auditing Co., Ltd.

Prepared on March 03, 2026

Prepared by**Nguyen Van Tuong****Person in charge of
accounting****Nguyen Van Tuong****General Director****Pham Van Tao**