

GIAI PHONG MOTOR JOINT STOCK COMPANY

Interim Consolidated Financial Statements

For the 6-month accounting period ended June 30, 2025

Reviewed



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GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Management Board of Giai Phong Motor Joint Stock Company (hereinafter referred to as the "Company") presents this Report together with the reviewed interim consolidated financial statements of the Company for the 6-month accounting period ended June 30, 2025, reviewed by independent auditors.

OVERVIEW OF THE COMPANY

Giai Phong Motor Joint Stock Company, formerly known as Ha Giang Mechanical and Electrical Joint Stock Company, operates under Business Registration Certificate No. 1003000001, first registered on October 10, 2001, issued by the Department of Planning and Investment of Ha Giang Province. On October 3, 2008, the Company changed its name to Giai Phong Motor Joint Stock Company.

During its operation, the Company has been issued 19 business registration certificates reflecting changes in the legal representative, additions to business lines, name changes, and increases in charter capital. The 19th amended business registration certificate of the Joint Stock Company, No. 5100165283, was issued by the Business Registration Office of the Department of Planning and Investment of Ha Giang Province (Now it is Tuyen Quang province) on June 12, 2025.

Charter capital according to the 19th amended business registration certificate: 293.885.890.000 VND

Head office

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Telephone: 02193882204
Fax: 02193882204
Email: info@giaiphong.com.vn
Tax code: 5100165283

Branches:

Branch name	Address
Branch of Giai Phong Motor Joint Stock Company (Formerly: Branch of Ha Giang Mechanical and Electrical Joint Stock Company in Hanoi)	No. 539 Minh Khai Street, Vinh Tuy Ward, Hanoi City Branch code: 5100165283 – 001
Branch of Giai Phong Motor Joint Stock Company – Giai Phong Automobile Factory	Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province Branch code: 5100165283 – 002

Events after the interim consolidated financial statements date

No significant events have occurred after the date of the interim consolidated financial statements that require adjustment or disclosure in the interim consolidated financial statements.

The Board of Directors, Management Board, and Supervisory Board during the period and as of the date of this report are as follows:

Board of Directors

Full name	Position	
Mr. Nguyen Duy Kien	Chairman	Appointed on May 30, 2025
Mr. Nguyen Cuong	Chairman	Removed on May 30, 2025
Mr. Nguyen Cuong	Vice Chairman	Appointed on May 30, 2025
Mr. Tran Tan Hong Cuong	Member	
Mr. Vu Hai Anh	Member	
Mr. Pham Nguyen Hoang	Member	

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Report of the board of general directors (cont.)

Supervisory Board

<u>Full name</u>	<u>Position</u>
Mrs. Le Thi Hang	Head of the Board
Mr. Quach Nguyen Van Hoc	Member
Mrs. Pham Hong Yen	Member

Management Board

<u>Full name</u>	<u>Position</u>	
Mr. Pham Nguyen Hoang	General Director	Appointed on May 30, 2025

Auditor

NVA Northern Branch Audit Company Limited (NVA) has reviewed the interim consolidated financial statements for the 6-month accounting period ended June 30, 2025.

Management's Responsibility Statement for the Interim Consolidated Financial Statements

The Management Board of the Company is responsible for preparing the interim consolidated financial statements that fairly and reasonably reflect the interim consolidated operating performance, consolidated business results, and consolidated cash flows of the Company during the period. In preparing the interim consolidated financial statements, the Management Board of the Company commits to complying with the following requirements:

- Selecting appropriate accounting policies and applying them consistently;
- Making reasonable and prudent judgments and estimates;
- Preparing and presenting the interim consolidated financial statements in accordance with applicable accounting standards, accounting regulations, and relevant current requirements;
- Preparing the interim consolidated financial statements on a going concern basis, except when it is inappropriate to assume that the Company will continue its business operations.
- Establishing and maintaining an effective internal control system to minimize the risk of material misstatements due to fraud or error in the preparation and presentation of the interim consolidated financial statements.

The Management Board of the Company ensures that accounting records are maintained to accurately and reasonably reflect the interim consolidated financial position of the Company at any given time, and that the interim consolidated financial statements comply with current state regulations. The Management Board is also responsible for safeguarding the Company's assets and implementing appropriate measures to prevent and detect fraud and other violations.

The Management Board of the Company approves and confirms that the attached interim consolidated financial statements fairly and reasonably present the interim consolidated financial position of the Company as of June 30, 2025, as well as the interim consolidated business results and interim consolidated cash flows for the 6-month accounting period ended on that date, in accordance with Vietnamese accounting standards, accounting regulations, and relevant current legal requirements.

Tuyen Quang, August 13, 2025

General Director
CÔNG TY
CỔ PHẦN
Ô TÔ GIẢI PHÓNG
H. V. XUYEN - T. HÀ GIANG
Pham Nguyen Hoang

**REVIEW REPORT
ON INTERIM FINANCIAL INFORMATION**

**To: BOARD OF DIRECTORS AND THE MANAGEMENT BOARD
GIAI PHONG MOTOR JOINT STOCK COMPANY**

We have reviewed the accompanying interim consolidated financial statements of Giai Phong Motor Joint Stock Company, prepared as of August 13, 2025, from page 6 to page 33, which include: the interim consolidated balance sheet for the accounting period ended June 30, 2025, the interim consolidated statement of profit or loss, the interim consolidated cash flow statement for the 6-month accounting period ended on the same date, and the notes to the interim consolidated financial statements.

Management's Responsibility

The Management Board of Giai Phong Motor Joint Stock Company is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with Vietnamese accounting standards, accounting regulations, and legal requirements related to the preparation and presentation of interim consolidated financial statements. They are also responsible for internal controls deemed necessary to ensure that the interim consolidated financial statements are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The review of interim financial information involves performing inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese auditing standards and, therefore, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not fairly and reasonably present, in all material respects, the financial position of the entity as of June 30, 2025, and its business results and cash flows for the 6-month accounting period ended on that date, in accordance with Vietnamese accounting standards, accounting regulations, and relevant legal requirements related to the preparation and presentation of interim consolidated financial statements.

Emphasis of Matter

We draw attention to Note VIII.3, which states that the loss for the 6-month accounting period ended June 30, 2025, amounted to VND (9,026,994,800), and the accumulated loss as of June 30, 2025, totaled VND (354,874,848,557), exceeding the owner's invested capital. Additionally, as of June 30, 2025, current liabilities exceeded current assets by VND 43,268,434,277. These conditions raise doubts about the Company's ability to continue as a going concern. The company is taking various measures to resolve the current situation by implementing a plan to issue private shares to supplement business capital and expand the factory. At the same time, a loan at Eximbank is being considered for purchase by some investors to convert debt into equity. The company's leadership is committed to using personal resources to handle overdue debt if the proposed measures are not sufficient. Therefore, the interim consolidated financial statements for the 6-month accounting period ended June 30, 2025, have been prepared on a going concern basis.

Our conclusion on the interim consolidated financial statements for the 6-month accounting period ended June 30, 2025, is not modified in respect of this matter.

Other Matter

The consolidated financial statements for the six-month interim period ending June 30, 2024, and the financial statements for the year 2024 of Giai Phong Motor Joint Stock Company have been reviewed and audited by another auditing firm. The auditor has issued an unqualified opinion on these interim consolidated financial statements on August 13, 2024, and an unqualified opinion on these consolidated financial statements on March 28, 2025.

Hanoi, August 13, 2025

NVA Auditing Co., LTD – Northern Branch

Vice Director



Le My Trang

Registered Auditor Certificate No: 3764-2021-152-1

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

INTERIM CONSOLIDATED BALANCE SHEET

As of June 30, 2025

Unit: VND

STT	ASSET	Co de	Note	Ending Balance	Beginning Balance
A.	SHORT-TERM ASSETS	100		8,638,787,180	13,656,648,181
I.	Cash and cash equivalents	110	V.1	221,811,631	275,347,200
1.	Cash	111		221,811,631	275,347,200
2.	Cash equivalents	112		-	-
II.	Short-term financial investment	120		-	-
1.	Trading securities	121		-	-
2.	Provision for impairment of trading securities	122		-	-
3.	Held to maturity investment	123		-	-
III.	Short-term receivables	130		344,803,654	377,873,389
1.	Short-term trade receivables	131	V.2	54,750,000	54,750,000
2.	Short-term vendor advance	132		-	46,142,130
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.3	306,478,655	276,981,259
7.	Provision for doubtful short-term receivables	137	V.4	(16,425,001)	-
8.	Assets missing pending resolution	139		-	-
IV.	Inventory	140		7,955,893,806	12,559,271,155
1.	Inventory	141	V.5	7,955,893,806	13,894,119,689
2.	Provision for inventory write-down	149		-	(1,334,848,534)
V.	Other short-term assets	150		116,278,089	444,156,437
1.	Short-term prepaid expenses	151		-	-
2.	Deductible value added tax	152		116,278,089	444,156,437
3.	Taxes and other amounts receivable from the State	153		-	-
4.	Government bond repurchase transaction	154		-	-
5.	Other short-term assets	155		-	-

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Interim Consolidated balance sheet (cont.)

Unit: VND

STT	ASSET	Code	Note	Ending Balance	Beginning Balance
B.	LONG-TERM ASSETS	200		18,092,894,313	20,155,990,146
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		18,092,894,313	20,155,990,146
1.	Tangible fixed assets	221	V.6	18,092,894,313	20,155,990,146
	Original price	222		79,636,045,328	79,636,045,328
	Accumulated depreciation	223		(61,543,151,015)	(59,480,055,182)
2.	Financial lease fixed assets	224		-	-
	Original price	225		-	-
	Accumulated depreciation	226		-	-
3.	Intangible fixed assets	227		-	-
	Original price	228		-	-
	Accumulated depreciation	229		-	-
III.	Investment real estate	230		-	-
1.	Original price	231		-	-
2.	Accumulated depreciation	232		-	-
IV.	Long-term unfinished assets	240		-	-
1.	Long-term unfinished production and business costs	241		-	-
2.	Cost of unfinished basic construction	242		-	-
V.	Long-term financial investment	250		-	-
1.	Investment in subsidiaries	251		-	-
2.	Investment in joint ventures and associates	252		-	-
3.	Investing in other entities	253		-	-
4.	Long-term financial investment reserve	254		-	-
5.	Held to maturity investment	255		-	-
VI.	Other long-term assets	260		-	-
1.	Long-term prepaid expenses	261		-	-
2.	Deferred income tax assets	262		-	-
3.	Long-term replacement equipment, supplies and spare parts	263		-	-
4.	Other long-term assets	268		-	-
	TOTAL ASSET	270		26,731,681,493	33,812,638,327

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Interim Consolidated balance sheet (cont.)

Unit: VND

STT	CAPITAL SOURCE	Code	Note	Ending Balance	Beginning Balance
C.	LIABILITIES PAYABLE	300		86,937,170,236	84.991.132.270
I.	Short-term debt	310		51,907,221,457	52.096.843.261
1.	Short-term trade payables	311	V.7	5,826,037,953	3,242,223,473
2.	Short-term advance payment buyer	312	V.8	4,855,346,810	3,022,864,408
3.	Taxes and other payments to the State	313	V.9	3,581,809	10,040,601
4.	Payable to workers	314		150,745,039	151,099,400
5.	Short-term payable expenses	315	V.10	805,330,133	1,644,698,630
9.	Other short-term payables	319	V.11	22,617,600,810	20,957,178,201
10.	Short-term loans and finance leases	320	V.12a	17,648,578,903	23,068,738,548
II.	Long-term debt	330		35,029,948,779	32,894,289,009
8.	Long-term loans and financial leases	338	V.12b	35,029,948,779	32,894,289,009
D.	OWNER'S EQUITY	400		(60,205,488,743)	(51,178,493,943)
I.	Owner's equity	410	V.13	(60,205,488,743)	(51,178,493,943)
1.	Owner's equity	411		293,885,890,000	293,885,890,000
	Common shares with voting rights	411a		293,885,890,000	293,885,890,000
	Preferred stock	411b		-	-
2.	Capital surplus	412		783,469,814	783,469,814
11.	Undistributed profit after tax	421		(354,874,848,557)	(345,847,853,757)
	Undistributed profit after tax accumulated to the end of previous period	421a		(345,847,853,757)	(326,303,210,310)
	Undistributed profit this period	421b		(9,026,994,800)	(19,544,643,447)
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 ASSETS	440		26,731,681,493	33,812,638,327

Tuyen Quang, August 13, 2025

Prepared by

Chief Accountant

General Director



Dinh Thi Ngan



Dinh Thi Ngan



Pham Nguyen Hoang

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

INTERIM INCOME STATEMENT

For the accounting period of 6 months ending on June 30, 2025

Unit: VND

	ITEMS	Code	Note	From 01/01/2025 to 30/6/2025	From 01/01/2024 To 30/6/2024
1.	Sales and service revenue	01	VI.1	36,400,044,222	5,329,343,434
2.	Revenue deductions	02		-	-
3.	Net revenue from sales and services	10		36,400,044,222	5,329,343,434
4.	Cost of goods sold	11	VI.2	38,016,609,442	8,242,123,005
5.	Gross profit from sales and service provision	20		(1,616,565,220)	(2,912,779,571)
6.	Financial revenue	21	VI.3	844,498	771,373
7.	Financial costs	22	VI.4	6,016,167,373	6,124,405,944
	<i>Including: interest expense</i>	23		5,831,757,119	5,663,664,707
8.	Cost of sales	25	VI.5	267,308,793	225,208,840
9.	Business management costs	26	VI.6	1,127,797,912	1,024,370,090
10.	Net operating profit	30		(9,026,994,800)	(10,285,993,072)
11.	Other income	31		-	-
12.	Other costs	32		-	-
13.	Other profits	40		-	-
14.	Total accounting profit before tax	50		(9,026,994,800)	(10,285,993,072)
15.	Current corporate income tax expense	51	VI.7	-	-
16.	Deferred corporate income tax expense	52		-	-
17.	Profit after corporate income tax	60		(9,026,994,800)	(10,285,993,072)
18.	Basic earnings per share	70	VI.8	(307)	(350)
19.	Diluted earnings per share	71	VI.8	(307)	(350)

Prepared by



Dinh Thi Ngan

Chief Accountant



Dinh Thi Ngan

Tuyen Quang, August 13, 2025

General Director



Pham Nguyen Hoang

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

INTERIM STATEMENT OF CASH FLOWS
For the accounting period of 6 months ending on June 30, 2025

Unit: VND

STT	ITEMS	Code	Note	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
I.	Cash flows from operating activities				
1.	<i>Profit before tax</i>	01		(9,026,994,800)	(10,285,993,072)
2.	<i>Adjustment for items</i>				
-	Depreciation of fixed assets and investment properties	02		2,063,095,833	2,088,616,159
-	Provisions	03		(1,318,423,533)	(286,690,108)
-	Foreign exchange gain or loss from revaluation of monetary items denominated in foreign currencies	04		184,410,254	160,741,237
-	Gain or loss from investing activities	05		(844,498)	(771,373)
-	Interest expenses	06		5,831,757,119	5,663,664,707
-	Other adjustments	07		-	-
3.	<i>Operating profit before changes in working capital</i>	08		(2,266,999,625)	(2,660,432,450)
-	Increase or decrease in receivables	09		344,523,082	313,827,513
-	Increase or decrease in inventories	10		5,938,225,883	6,025,057,456
-	Increase or decrease in payables (excluding interest payable and corporate income tax payable)	11		4,419,618,880	(4,235,329,154)
-	Increase or decrease in prepaid expenses	12		-	-
-	Increase or decrease in trading securities	13		-	-
-	Interest paid	14		(1,253,343,287)	(42,427,397)
-	Corporate income tax paid	15		-	-
-	Other cash receipts from operating activities	16		-	-
-	Other cash payments for operating activities	17		-	-
	<i>Net cash flow from operating activities</i>	20		7,182,024,933	(599,304,032)
II.	Cash flows from investing activities				
1.	Cash payments for purchase and construction of fixed assets and other long-term assets	21		-	-
2.	Cash receipts from liquidation and sale of fixed assets and other long-term assets	22		-	-
3.	Cash payments for loans and purchase of debt instruments of other entities	23		-	-
4.	Cash receipts from loan recoveries and sale of debt instruments of other entities	24		-	-
5.	Cash payments for investments in other entities	25		-	-
6.	Cash receipts from recovery of investments in other entities	26		-	-
7.	Cash receipts from interest on loans, dividends, and profit distributions	27		844,498	771,373
	<i>Net cash flow from investing activities</i>	30		844,498	771,373

GIAI PHONG MOTOR JOINT STOCK COMPANY

Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Interim Statement of Cash Flows (cont.)

Unit: VND

STT	ITEMS	Code	Note	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
III.	Cash flows from financing activities				
1.	Cash receipts from issuance of shares and capital contributions from owners	31		-	-
2.	Cash payments for return of capital to owners and repurchase of the company's issued shares	32		-	-
3.	Cash receipts from borrowings	33		5,733,000,000	6,752,000,000
4.	Repayment of principal on borrowings	34		(12,969,405,000)	(5,653,250,000)
5.	Repayment of principal on finance leases	35		-	-
6.	Dividends and profits paid to owners	36		-	-
	Net cash flow from financing activities	40		(7,236,405,000)	1,098,750,000
	Net cash flow during the period (50 = 20+30+40)	50		(53,535,569)	500,217,341
	Cash and cash equivalents at the beginning of the year	60		275,347,200	10,933,393
	Effect of changes in foreign exchange rates	61		-	-
	Cash and cash equivalents at the end of the period (70 = 50+60+61)	70		221,811,631	511,150,734

Prepared by



Dinh Thi Ngan

Chief Accountant



Dinh Thi Ngan

Tuyen Quang, August 13, 2025

General Director



Pham Nguyen Hoang

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period of 6 months ending on June 30, 2025

I. NATURE OF OPERATIONS

1. Form of ownership

Joint Stock Company.

2. Business sectors

The Company's line of business is Manufacturing and Trading.

3. Main business activities

- Manufacturing of motor vehicles
- Sale of spare parts and accessories for automobiles and other motor vehicles;
- Wholesale of all types of motorcycles./.

4. Usual business cycle

The Company's normal business cycle does not exceed 12 months.

5. Characteristics of the Company's operations during the financial year that affect the financial statements

None.

6. Corporate structure

Branches:

Branch name	Address
Branch of Giai Phong Motor Joint Stock Company (Formerly: Branch of Ha Giang Mechanical and Electrical Joint Stock Company in Hanoi)	No. 539 Minh Khai Street, Vinh Tuy Ward, Hanoi City Branch code: 5100165283 – 001
Branch of Giai Phong Motor Joint Stock Company – Giai Phong Automobile Plant	Thanh Thuy Border Gate Economic Zone, Thanh Thuy Commune, Tuyen Quang Province Branch code: 5100165283 – 002

As of June 30, 2025, the Company had a total of 17 employees (as of December 31, 2024: 24 employees).

II. FINANCIAL YEAR AND ACCOUNTING CURRENCY USED

1. Financial year

The Company's financial year begins on January 1 and ends on December 31 each year.

2. Accounting currency

The accounting currency used is Vietnam Dong (VND).

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Notes to the Interim Consolidated Financial Statements (cont)

III. ACCOUNTING STANDARDS AND REGULATIONS APPLIED

1. Accounting regime applied

The Company applies the Corporate Accounting Regime issued under Circular No. 200/2014/TT-BTC ("Circular 200") providing guidance on the accounting regime for enterprises, promulgated by the Ministry of Finance on 22 December 2014, and Circular No. 53/2016/TT-BTC dated 21 March 2016 on amendments and supplements to Circular No. 200/2014/TT-BTC, also issued by the Ministry of Finance.

2. Statement of compliance with Accounting Standards and Accounting Regime

The Company has applied the Vietnamese Accounting Standards and the related guidance documents that have been issued. The financial statements have been prepared and presented in full compliance with all provisions of each applicable standard, the related implementing circulars, and the prevailing accounting regime currently in effect.

IV. ACCOUNTING POLICIES APPLIED

1. Basis of preparation of the financial statements

The financial statements are prepared on the accrual basis of accounting (except for information relating to cash flows).

2. Types of exchange rates applied in accounting and principles for recording foreign exchange differences

The Company engages in transactions in foreign currencies: USD

Transactions in foreign currencies are converted at the exchange rates prevailing on the transaction dates. Monetary items denominated in foreign currencies at the end of the financial Accounting period are translated at the exchange rates prevailing on that date.

Foreign exchange differences arising during the period from transactions in foreign currencies are recognized in financial income or financial expenses. Foreign exchange differences from the revaluation of monetary items denominated in foreign currencies at the end of the financial Accounting period, after offsetting exchange gains and losses, are recognized in financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual rate at the transaction date quoted by the commercial bank where the Company conducts the transaction. The exchange rate used to revalue the balances of monetary items denominated in foreign currencies at period-end is the buying rate of the commercial bank or the average buying rate of commercial banks where the Company maintains accounts, as announced on the last day of the accounting period.

3. Principles for recognizing cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, cash in transit, and short-term investments with a maturity or redemption period of no more than three months from the acquisition date, which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

4. Receivables

Receivables are presented at their carrying amounts, less provision for doubtful debts.

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

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Notes to the Interim Consolidated Financial Statements (cont)

Trade receivables represent commercial receivables arising from buy-sell transactions between the Company and independent buyers, including receivables from entrusted export sales.

Other receivables represent non-commercial receivables not related to buy-sell transactions.

Provision for doubtful debts is made for each doubtful receivable based on overdue aging or expected loss, as follows:

For overdue receivables:

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

For receivables not yet overdue but deemed difficult to collect: provision is made based on the estimated loss.

5. Inventory

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

The cost of inventories is determined as follows:

- Raw materials and goods: include purchase costs and other directly related costs incurred to bring the inventories to their present location and condition.
- Finished goods: include raw material costs, direct labor costs, and attributable manufacturing overheads allocated based on normal operating capacity; or, in the case of real estate finished products, land use right costs, direct costs, and related overheads incurred during the investment and construction process.
- Work in progress: includes only the main raw material costs (or other relevant cost elements, as appropriate).

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

The cost of inventories is determined using the weighted average method and accounted for under the perpetual inventory system.

A provision for inventory devaluation is made at year-end when the net realizable value of inventories is lower than their cost.

6. Principles for recognition and depreciation of fixed assets

a) Principles for recognition and depreciation of 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 assets up to the date they are ready for use. Subsequent expenditures are capitalized only when it is certain that they will increase the future economic benefits obtained from the use of the assets. Expenditures that do not meet this condition are recognized directly in expenses.

When tangible fixed assets are sold or disposed of, their cost and accumulated depreciation are eliminated, and any resulting gain or loss from the disposal is recognized in income or expenses for the year.

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

<u>Type of fixed asset</u>	<u>Number of years</u>
Buildings and structures	20
Machinery and equipment	10
Transportation and transmission equipment	6-8
Management equipment and tools	3-5

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

b) Construction in progress costs

Construction in progress costs reflect direct costs (including capitalized borrowing costs, if any) related to assets under construction, machinery and equipment being installed, as well as costs related to ongoing repairs of fixed assets. These assets are recorded at cost and are not subject to depreciation.

7. Accounting principles for prepaid expenses

Prepaid expenses represent actual costs incurred that relate to the production and business activities of multiple accounting periods, with these costs being allocated to the expenses of the relevant future accounting periods.

Tools and instruments

Tools and instruments that have been put into use are allocated to expenses using the straight-line method over a period not exceeding 3 years.

8. Accounting principles for payables and accrued expenses

Payables 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 amounts payable to suppliers, accrued expenses, and other payables is carried out based on the following principles:

- Payables to suppliers represent commercial payables arising from transactions for the purchase of goods, services, and assets, where the supplier is an independent entity separate from the Corporation/Company, including payables related to imports through entrusted agents.
- Accrued expenses represent amounts payable for goods and services received from suppliers or provided to buyers but not yet paid due to missing invoices or incomplete accounting documents, as well as amounts payable to employees for wages, paid leave, and production or business expenses that need to be accrued.

Other payables represent amounts payable that are non-commercial in nature and unrelated to transactions involving the purchase, sale, or supply of goods and services.

9. Principles for recognizing loans and financial lease payables

The Company must monitor the detailed maturity schedules of loans and finance lease payables. Amounts with repayment terms exceeding 12 months from the financial statement date are classified as long-term loans and finance lease payables. Amounts due within the next 12 months from the financial statement date are classified as short-term loans and finance lease payables to facilitate payment planning.

Loans and debts denominated in foreign currencies must be converted into the accounting currency using the actual exchange rate at the transaction date;

- When repaying foreign currency loans, the debit is converted at the actual accounting exchange rate specifically recorded for each transaction;
- When preparing the financial statements, the balances of foreign currency loans and finance lease payables must be revalued at the actual exchange rates prevailing at the financial statement date.
- Foreign exchange differences arising from the settlement and year-end revaluation of foreign currency loans and finance lease payables are recorded as financial income or financial expenses.

The exchange rate used to revalue loan balances is the selling rate of the Vietnam Export-Import Commercial Joint Stock Bank (Eximbank) as of June 30, 2025, which is 26,260 VND/USD.

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Notes to the Interim Consolidated Financial Statements (cont)

10. Principles and methods for recognizing provisions for payables

Amounts payable that have not yet arisen due to goods or services not yet received but are accrued into the current production and business expenses to ensure no sudden cost spikes when they actually occur are recognized as provisions for payables.

The recognized value of a provision for payables is the best reasonable estimate of the amount the Company will have to pay to settle the present obligation as of the end of the annual or interim accounting period.

Provisions for payables are established at the time of preparing the financial statements. If the provision required for the current accounting period exceeds the unused provision from the previous period, the difference is recorded as an expense in the current period's production and business costs. Conversely, if the provision required for the current period is less than the unused provision from the previous period, the difference is reversed and recognized as a reduction in production and business expenses for the current period.

11. Principles for recognition of equity

Owner's capital contribution

Owner's capital contribution is recognized based on the actual amount invested by the capital-contributing members.

Undistributed earnings

Recognition of business results (profit or loss) after corporate income tax and the situation of profit distribution or loss handling of the enterprise.

Other funds

The funds are established and used in accordance with the Company's Charter and approved annually by the Company's management.

12. Principles and methods of revenue recognition

Sales revenue is recognized when all the following conditions are met simultaneously:

- The significant risks and rewards associated with ownership of the goods or products have been transferred to the buyer;
- The subsidiary company does not hold the right to manage the goods as the owner or have control over the goods;
- Revenue is reasonably assured;
- The company has received or will receive economic benefits from the sales transaction;
- The costs related to the sales transaction can be identified./.

13. Principles of accounting for cost of goods sold.

Cost of goods sold during the year is recognized in accordance with the revenue generated during the period and ensures compliance with the principle of prudence.

For direct material costs exceeding normal levels, labor costs, and fixed manufacturing overhead not allocated to the value of products entered into inventory, accounting must immediately recognize these costs as cost of goods sold (after deducting any compensations, if applicable), even when the products or goods have not yet been determined to be 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 the net realizable value is lower. When determining the quantity of inventory subject to write-down provisions, accounting must exclude the quantity of inventory under sales contracts (with a net

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Notes to the Interim Consolidated Financial Statements (cont)

realizable value not less than the book value) that has not yet been delivered to customers, provided there is reliable evidence that the customer will not cancel the contract.

14. Principles of accounting for borrowing costs

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

Borrowing costs are recognized as expenses when incurred. However, borrowing costs directly related to the construction or production of an asset under construction that requires a sufficiently long period (over 12 months) to be ready for its intended use or sale are capitalized. For loans specifically used for constructing fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income arising from the temporary investment of these borrowings is deducted from the cost of the related asset.

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

15. Principles of accounting for selling expenses and general administrative expenses

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

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

16. Principles and methods of recognizing current corporate income tax expense

Corporate income tax expense is the current income 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, adjustments for non-taxable income, and carried forward losses.

The Company is subject to corporate income tax at the rate of 15% in accordance with Investment Incentive Certificate No. 874/GCNUD dated 2 May 2002.

17. Segment reporting

A business segment is a separately identifiable part that participates in the process of producing or providing products or services and has economic risks and benefits distinct from other business segments.

A geographical segment is a separately identifiable part that participates in the process of producing or providing products or services within a specific economic environment and has economic risks and benefits distinct from business segments in other economic environments.

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

18. Related parties

Parties are considered related to the Company if one party has the ability, directly or indirectly, to control the other party or significantly influence the other party in making financial and operational decisions, or when the Company and the other party are under common control or significant common influence. These related parties can be companies or individuals, including their close family members.

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

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Notes to the Interim Consolidated Financial Statements (cont)**V. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE INTERIM BALANCE SHEET**

Unit: VND

1. Cash and Cash Equivalents

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Cash	918,266	3,005,981
Demand bank deposits	220,893,365	272,341,219
Total	221,811,631	275,347,200

2. Short-term accounts receivable from customers

	<u>Ending Balance</u>	<u>Beginning Balance</u>
Dong Do Quang Ninh Joint Stock Company	54,750,000	54,750,000
Total	54,750,000	54,750,000

3. Other short-term receivables

	<u>Ending Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
<i>Receivables from other organizations and individuals</i>	306,478,655	-	276,981,259	-
Advances	254,153,377	-	224,655,981	-
Other short-term receivables	52,325,278	-	52,325,278	-
Total	306,478,655	-	276,981,259	-

4. Provision for doubtful debts

	<u>Ending Balance</u>		<u>Beginning Balance</u>	
	<u>Original cost</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
Dong Do Quang Ninh Joint Stock Company	54,750,000	(16,425,001)	54,750,000	-
Total	54,750,000	(16,425,001)	54,750,000	-

5. Inventory

	<u>Ending Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
Raw materials and supplies	4,409,411,218	-	2,025,932,249	-
Finished goods	177,964,460	-	10,497,707,774	(1,334,848,534)
Merchandise	535,929,993	-	535,929,993	-
Goods sent for sale	2,832,588,135	-	834,549,673	-
Total	7,955,893,806	-	13,894,119,689	(1,334,848,534)

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Notes to the Interim Consolidated Financial Statements (cont)

6. Increase and decrease of tangible fixed assets

	Unit: VND			
	Buildings and structures	Machinery and equipment	Transportation and transmission vehicles	Management equipment and tools
Total				
Original cost				
Beginning Balance	47,225,072,226	31,110,700,283	960,323,675	339,949,144
Increase during the period	-	-	-	-
Ending Balance	47,225,072,226	31,110,700,283	960,323,675	339,949,144
Including: fully depreciated but still in use	419,935,606	17,964,106,533	780,323,675	339,949,144
Accumulated depreciation				
Beginning Balance	30,497,557,460	27,719,724,903	922,823,675	339,949,144
Increase due to depreciation expense during the period	1,658,838,990	393,006,843	11,250,000	-
Ending Balance	32,156,396,450	28,112,731,746	934,073,675	339,949,144
Net book value				
Beginning balance	16,727,514,766	3,390,975,380	37,500,000	-
Ending Balance	15,068,675,776	2,997,968,537	26,250,000	-

The tangible fixed assets with a cost and carrying amount according to the books of VND 78,217,372,509 and VND 17,989,120,713, respectively, have been pledged as collateral for the loan from Mr. Vuong Van Tuong, as disclosed in Note V.12a.

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

7. Short-term accounts payable to suppliers

	Ending Balance	Beginning Balance
<i>Payables to other suppliers</i>	<i>5,826,037,953</i>	<i>3,242,223,473</i>
Saigon - Hanoi Securities Company	1,146,422,315	1,146,422,315
Son Lien Hop Co., Ltd	488,495,099	488,495,099
FAW VN Import-Export Co., Ltd	3,538,946,000	785,312,400
Other suppliers	652,174,539	821,993,659
Total	5,826,037,953	3,242,223,473

8. Short-term advances from customers

	Ending Balance	Beginning Balance
<i>Advances from other customers</i>	<i>4,855,346,810</i>	<i>3,022,864,408</i>
Long Giang International Investment Joint Stock Company	-	2,101,584,398
FAW VN Import-Export Co., Ltd	650,000,000	750,000,000
Ms. Do Trang Nhung	1,000,000,000	-
Ms. Pham Thi Bich Yen	3,084,066,800	-
Other customers	121,280,010	171,280,010
Total	4,855,346,810	3,022,864,408

9. Taxes and amounts payable to the State

	Beginning payable balance	Payable amount incurred during the period	Amount paid during the period	Payable balance at the end of the period
VAT on domestic sales	10,040,601	67,069,648	73,528,440	3,581,809
Personal income tax	-	64,796,362	64,796,362	-
Land and housing tax	-	77,844,240	77,844,240	-
Other taxes	-	3,000,000	3,000,000	-
Total	10,040,601	212,710,250	219,169,042	3,581,809

10. Short-term accrued expenses

	Ending Balance	Beginning Balance
Mr. Vuong Van Tuong – Interest expense	796,130,133	1,644,698,630
Other expenses	9,200,000	-
Total	805,330,133	1,644,698,630

11. Other short-term payables

	Ending Balance	Beginning Balance
Interest expenses payable to Eximbank (*)	22,602,373,973	20,942,886,515
Other short-term payables	15,226,837	14,291,686
Total	22,617,600,810	20,957,178,201

(*) These are interest expenses, both current and overdue, payable to Vietnam Export Import Commercial Joint Stock Bank (Eximbank) according to the credit limit contract into in 2010.

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

12. Loans and financial lease liabilities

Unit: VND

	Beginning Balance		Incurred during the period		Ending Balance	
	Value	Outstanding overdue debt	Increase	Decrease	Value	Outstanding overdue debt
a. Short-term loans and financial lease liabilities	23,068,738,548	6,645,791,849	6,177,840,355	11,598,000,000	17,648,578,903	6,830,202,103
Short-term loans from related parties	-	-	5,293,000,000	5,293,000,000	-	-
Ms. Nguyen Thi Nga	-	-	998,000,000	998,000,000	-	-
Mr. Nguyen Cuong	-	-	4,295,000,000	4,295,000,000	-	-
Short-term bank loans	6,645,791,849	6,645,791,849	184,410,254	-	6,830,202,103	6,830,202,103
Vietnam Export Import Commercial Joint Stock Bank (Eximbank) (1)	6,645,791,849	6,645,791,849	184,410,254	-	6,830,202,103	6,830,202,103
Short-term loans from individuals	16,422,946,699	-	700,430,101	6,305,000,000	10,818,376,800	-
Mr. Nguyen Ky Xuan (2)	7,822,946,699	-	700,430,101	705,000,000	7,818,376,800	-
Mr. Vuong Van Tuong (3)	8,600,000,000	-	-	5,600,000,000	3,000,000,000	-
b. Long-term loans and financial lease liabilities	32,894,289,009	-	3,507,064,770	1,371,405,000	35,029,948,779	-
Long-term loans from related parties	32,894,289,009	-	3,507,064,770	1,371,405,000	35,029,948,779	-
Mr. Nguyen Ha Duc (4)	32,894,289,009	-	3,507,064,770	1,371,405,000	35,029,948,779	-
Total	55,963,027,557	6,645,791,849	9,684,905,125	12,969,405,000	52,678,527,682	6,830,202,103

(1) This represents a loan from Vietnam Export Import Commercial Joint Stock Bank ("Eximbank") under a credit limit agreement entered into in 2010 for the purpose of supplementing working capital for the automobile business. The interest rate under each disbursement note ranges from 8.1% to 8.4% per annum, and the overdue interest rate is 1.5 times the contractual interest rate applicable at each point in time. The loan has become overdue and remains unpaid. As at 30 June 2025, the outstanding balance of the loan from Eximbank was USD 260,099.09, with an exchange rate of VND 26,260 per USD.

(2) This is a loan from Mr. Nguyen Ky Xuan under contract No. 1407/22/HĐKT dated July 14, 2022, including attached contract annexes, extended until July 14, 2025. The loan amount is VND 5,000,000,000, with a 12-month term and an interest rate of 18% per year.

(3) This is a loan from Mr. Vuong Van Tuong under contract No. 2509/2023/HĐV dated September 25, 2023, and the attached contract annex. The loan amount is VND 20,000,000,000 with a 12-month term and an interest rate of 15% per year. The loan is intended for business capital. It is secured by the land use rights and assets of the factory of Giai Phong Motor Joint Stock Company.

(4) This is a loan from Mr. Nguyen Ha Duc under loan agreements with a term of 24 months and an interest rate of 18% per year.

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

13. Owners' equity**Statement of changes in owners' equity**

	Owner's contributed capital	Share premium	Undistributed post-tax profit	Total
Beginning balance of the previous year	293,885,890,000	783,469,814	(326,303,210,310)	(31,633,850,496)
Profit for the previous year	-	-	(19,544,643,447)	(19,544,643,447)
Ending balance of the previous year	293,885,890,000	783,469,814	(345,847,853,757)	(51,178,493,943)
Beginning balance of the current year	293,885,890,000	783,469,814	(345,847,853,757)	(51,178,493,943)
Profit for the current period	-	-	(9,026,994,800)	(9,026,994,800)
Ending balance of the current period	293,885,890,000	783,469,814	(354,874,848,557)	(60,205,488,743)

Shares

	Ending Balance	Beginning Balance
Number of registered shares for issuance	29,388,589	29,388,589
Number of shares issued	29,388,589	29,388,589
- Common shares	29,388,589	29,388,589
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	29,388,589	29,388,589
- Common shares	29,388,589	29,388,589
- Preferred shares	-	-

Par value of outstanding shares: 10,000 VND,

14. Items outside the consolidated Balance Sheet

	Ending Balance	Beginning Balance
Written-off bad debts (*)	13,364,745,531	13,364,745,531

(*) Details of written-off bad debts are presented in Appendix No. 01.

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

VI. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE INTERIM STATEMENT OF INCOME*Unit: VND***1. Revenue**

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Revenue from sales of goods	3,617,967,999	416,666,667
Revenue from sales of finished products	32,782,076,223	4,912,676,767
Total	36,400,044,222	5,329,343,434

2. Cost of goods sold

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Cost of goods sold	3,690,914,230	343,326,782
Cost of finished products sold	33,402,378,166	5,730,150,674
Cost of discontinued operations	2,258,165,580	2,455,335,657
Provision/(Reversal) for inventory write-down	(1,334,848,534)	(286,690,108)
Total	38,016,609,442	8,242,123,005

3. Financial income

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Interest income from demand deposits	844,498	771,373
Total	844,498	771,373

4. Financial expenses

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Interest expenses	5,831,757,119	5,663,664,707
Cost of borrowing secured assets	-	300,000,000
Loss from exchange rate differences due to revaluation of foreign currency monetary items	184,410,254	160,741,237
Total	6,016,167,373	6,124,405,944

5. Selling expenses

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Cost of outsourced services	267,308,793	225,208,840
Total	267,308,793	225,208,840

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Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

6. General and administrative expenses

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Employee expenses	662,634,749	586,968,939
Depreciation expense of fixed assets	26,273,736	26,273,736
Taxes, fees, and charges	82,154,673	60,387,562
Allowance for doubtful accounts	16,425,001	-
Cost of outsourced services	89,629,631	72,731,314
Other expenses	250,680,122	278,008,539
Total	1,127,797,912	1,024,370,090

7. Current corporate income tax expense

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

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Total accounting profit before tax	(9,026,994,800)	(10,285,993,072)
Adjustments increasing or decreasing accounting profit to determine taxable corporate income:		
- Adjustments increasing profit	4,896,009,632	3,353,648,972
<i>Depreciation expense of fixed assets during the discontinued operations period</i>	4,896,009,632	3,353,648,972
<i>Interest expenses exceeding 150% of the bank's base interest rate</i>	2,258,165,580	2,455,335,657
<i>Overdue loan interest and late payment charges</i>	978,356,594	898,313,315
- Adjustments decreasing profit	1,659,487,458	-
Taxable income	(4,130,985,168)	(6,932,344,100)
Tax-exempt income	-	-
Losses carried forward from previous years	-	-
Taxable income	(4,130,985,168)	(6,932,344,100)
Corporate income tax rate	15%	15%
Total current corporate income tax expense	-	-

8. Basic earnings/dilution per share

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Accounting profit after corporate income tax	(9,026,994,800)	(10,285,993,072)
Adjustments increasing or decreasing accounting profit to determine profit attributable to common shareholders:	-	-
Basic/diluted earnings per share	(9,026,994,800)	(10,285,993,072)
Weighted average number of common shares outstanding during the year	29,388,589	29,388,589
Basic/diluted earnings per share	(307)	(350)

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

The weighted average common shares outstanding during the year are calculated as follows:

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Common shares outstanding at the beginning of the year	29,388,589	29,388,589
Impact of debt-to-equity swap shares issued during the year	-	-
Weighted average common shares outstanding during the period	29,388,589	29,388,589

9. Production and business expenses by nature

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Raw materials expenses	21,551,260,920	16,451,700
Labor expenses	1,232,634,749	935,723,945
Provision expenses	(1,318,423,533)	-
Depreciation expense of fixed assets	2,063,095,833	2,088,616,159
Costs of outsourced services	89,629,631	80,195,935
Other expenses	948,311,330	583,926,848
Total	24,566,508,930	3,688,462,887

VII. ADDITIONAL INFORMATION ON ITEMS PRESENTED IN THE INRRERIM CASH FLOW STATEMENT**1. Non-cash Transactions**

During the period, the Company incurred the following non-cash transactions:

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Interest capitalized into principal	3,767,494,871	3,296,434,083

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Notes to the Interim Consolidated Financial Statements (cont)

VIII. 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.

i. *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 members of the Executive Board (General Director). Individuals related to key management personnel are close family members of the key management personnel.

Key management personnel and related individuals	Position/Relationship
Mr. Nguyen Cuong	Vice Chairman of the Board of Directors
Ms. Nguyen Thi Nga	Is the wife of Mr. Nguyen Cuong – Vice Chairman of the Board of Directors

Transactions with related parties

The main transactions arising during the period between the Company and key management personnel and individuals related to key management personnel are as follows:

	From 01/01/2025 to 30/06/2025	Unit: VND From 01/01/2024 to 30/06/2024
Payables for borrowed assets from Mrs. Nga	-	300,000,000
Repayment of borrowed assets from Mrs. Nga	-	300,000,000
Loan from Mr. Nguyen Cuong	4,295,000,000	-
Repayment of loan to Mr. Cuong	4,295,000,000	-
Loan from Mrs. Nga	998,000,000	-
Repayment of loan to Mrs. Nga	998,000,000	-

At the end of the accounting period, there were no outstanding balances with key management personnel and individuals related to key management personnel.

The income of key management personnel is as follows:

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
Executive Board Income		
Mr. Nguyen Cuong	93,221,200	220,189,481
Mr. Pham Nguyen Hoang	66,412,850	69,298,269
Mrs. Dinh Thi Ngan	61,171,385	113,468,707

ii. *Transactions with other related parties*

Other related parties of the Enterprise include:

Other related party	Relationship
Mr. Nguyen Ha Duc	A major shareholder holding 8.85% of the Company's equity capital.

The transactions arising between the Enterprise and other related parties during the year are as follows:

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

	From 01/01/2025 to 30/06/2025	Unit: VND From 01/01/2024 to 30/06/2024
Mr. Nguyen Ha Duc		
Loans (Including interest capitalized into principal)	3,507,064,770	9,431,809,427
Loan repayments	1,371,405,000	3,103,250,000

At the end of the financial year, outstanding balances with other related parties are presented in Notes V.12 /.

2. Segment Information

Segment information is presented by business segment and by geographical segment. The primary segment reporting format is by business segment, based on the Company's organizational and internal management structure and internal financial reporting system.

Business Segment Reporting

The Company's principal business activity is the assembly and sale of automobiles and motorcycles; therefore, no business segment reporting is presented.

Geographical Segment Reporting

The Company operates solely within the geographical area of Vietnam; therefore, no geographical segment reporting is presented.

3. Financial Risk Management

a. Credit Risk

Credit risk is the risk that one party in a contract is unable to fulfill their obligations, resulting in financial loss for the Company.

The Company faces credit risks from business activities (mainly related to accounts receivable from customers) and financial activities (bank deposits).

Accounts receivable from customers

The Company minimizes credit risk by only transacting with financially capable entities. The accounts receivable staff regularly monitor outstanding debts to expedite collections. Based on this and the fact that the Company's receivables relate to many different customers, credit risk is not concentrated on any single customer.

Bank deposits

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

b. Liquidity Risk

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

The Executive Board holds the highest responsibility for managing liquidity risk. The Company's liquidity risk mainly arises from the mismatched maturities of financial assets and financial liabilities.

The Company manages liquidity risk by maintaining an appropriate amount of cash and cash equivalents, as well as loans at levels that the Executive Board considers sufficient to meet the Company's operational needs, thereby minimizing the impact of cash flow fluctuations.

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

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

	Within 1 year	Over 1 year to 5 years	Total
Ending Balance			
Loans and debts	17,648,578,903	35,029,948,779	52,678,527,682
Trade payables	5,826,037,953	-	5,826,037,953
Other payables	22,617,600,810	-	22,617,600,810
Total	46,092,217,666	35,029,948,779	81,122,166,445
Beginning Balance			
Loans and borrowings	23,068,738,548	32,894,289,009	55,963,027,557
Accounts payable	3,242,223,473	-	3,242,223,473
Other payables	20,957,178,201	-	20,957,178,201
Total	47,268,140,222	32,894,289,009	80,162,429,231

c. Market Risk

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

The sensitivity analyses presented below are prepared based on the net debt values, assuming that the ratio between fixed-rate and floating-rate debts remains unchanged.

Foreign Exchange Risk

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

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, short-term deposits, and borrowings.

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

The interest rate changes used for the analysis are assumed based on observable current market conditions.

d. Fair value of assets and financial liabilities

	Book Value		Fair Value	
	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance
Financial assets				
Cash and cash equivalents	221.811.631	275.347.200	221.811.631	275.347.200
Accounts receivable from customers	54.750.000	54.750.000	(*)	(*)
Other receivables	306,478,655	276,981,259	(*)	(*)
Total	583,040,286	607,078,459		
Financial liabilities				
Loans and borrowings	52.678.527.682	55.963.027.557	(*)	(*)
Accounts payable to suppliers	5.826.037.953	3.242.223.473	(*)	(*)
Other payables	22.617.600.810	20.957.178.201	(*)	(*)
Total	81.122.166.445	80.162.429.231		

GIAI PHONG MOTOR JOINT STOCK COMPANY

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Notes to the Interim Consolidated Financial Statements (cont)

(*) The Company has not determined the fair value of its financial instruments as there are no quoted market prices available, and the Vietnamese Accounting Standards and the Vietnamese Corporate Accounting Regime currently provide no guidance on determining fair value using valuation techniques. Accordingly, the Company does not disclose the fair values of its financial assets and financial liabilities. The fair values of these financial instruments may differ from their carrying amounts.

4. Comparative information

The comparative figures are the consolidated interim financial statements for the 6-month accounting period ended June 30, 2024, and the consolidated financial statements for the fiscal year ended December 31, 2024, which have been reviewed and audited by Nhan Tam Viet Auditing Co., Ltd.

Some items were reclassified in the 2024 financial statements as follows:

Unit: VND

	Code	Figures from last year's financial statements	Adjusted figures
Balance Sheet			
Short-term accrued expenses	315	22,587,585,145	1,644,698,630
Other short-term payables	319	14,291,686	20,957,178,201

5. Going concern ability

The loss for the 6-month accounting period ended June 30, 2025, amounted to VND (9,026,994,800), and the accumulated loss as of June 30, 2025, totaled VND (354,874,848,557), exceeding the owner's invested capital. Additionally, as of June 30, 2025, current liabilities exceeded current assets by VND 43,268,434,277. These conditions raise doubts about the Company's ability to continue as a going concern. The company is taking various measures to resolve the current situation by implementing a plan to issue private shares to supplement business capital and expand the factory. At the same time, a loan at Eximbank is being considered for purchase by some investors to convert debt into equity. The company's leadership is committed to using personal resources to handle overdue debt if the proposed measures are not sufficient. Therefore, the interim consolidated financial statements for the 6-month accounting period ended June 30, 2025, have been prepared on a going concern basis.

Prepared on August 13, 2025

Prepared by

Dinh Thi Ngan

Chief Accountant

Dinh Thi Ngan

General Director



Pham Nguyen Hoang

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Notes to the Interim Consolidated Financial Statements (cont)

Unit: VND

Appendix 01: Details of Written-off Bad Debts

	Ending Balance		Beginning Balance	
	Value	Reason for debt write-off	Value	Reason for debt write-off
Branch of Giai Phong Automobile Joint Stock Company (Ha Giang Province)	163,714,025	Uncollectible debts	163,714,025	Uncollectible debts
Dai A Chau Construction and Trading Co., Ltd	138,217,050	Uncollectible debts	138,217,050	Uncollectible debts
Hung Tuyen Private Trading Enterprise	90,522,525	Uncollectible debts	90,522,525	Uncollectible debts
Thanh Tam Automobile Co., Ltd	402,565,959	Uncollectible debts	402,565,959	Uncollectible debts
Yuejin Vietnam Automobile Joint Stock Company	4,795,057,367	Uncollectible debts	4,795,057,367	Uncollectible debts
Mr. Can Van Minh	71,963,000	Uncollectible debts	71,963,000	Uncollectible debts
Mr. Do Dinh Tuan	96,933,650	Uncollectible debts	96,933,650	Uncollectible debts
Mr. Dao Hong Minh	68,251,650	Uncollectible debts	68,251,650	Uncollectible debts
Mr. Can Dinh Phong	64,013,650	Uncollectible debts	64,013,650	Uncollectible debts
Mr. Nguyen Huu Chinh	44,140,578	Uncollectible debts	44,140,578	Uncollectible debts
Mr. Le Trung Kien	19,702,500	Uncollectible debts	19,702,500	Uncollectible debts
Mr. Nguyen Thanh Son	18,880,000	Uncollectible debts	18,880,000	Uncollectible debts
Mr. Nguyen Van Dung	86,255,650	Uncollectible debts	86,255,650	Uncollectible debts
Hung Giang Law Firm	125,000,000	Uncollectible debts	125,000,000	Uncollectible debts
Saigon Hanoi Securities Company	60,000,000	Uncollectible debts	60,000,000	Uncollectible debts
Mr. Nguyen Van Chien	420,000,000	Uncollectible debts	420,000,000	Uncollectible debts
An Loc Phat Co., Ltd	1,269,090,442	Uncollectible debts	1,269,090,442	Uncollectible debts
Duy Nhat Five Continents Company	23,001,998	Uncollectible debts	23,001,998	Uncollectible debts
An Phuc Trading & Services Co., Ltd	68,708,000	Uncollectible debts	68,708,000	Uncollectible debts
Bao Long Co., Ltd	141,336,617	Uncollectible debts	141,336,617	Uncollectible debts
Vietnam Electromechanical Joint Stock Company	196,980,411	Uncollectible debts	196,980,411	Uncollectible debts
Dai Phat Hang Co., Ltd	274,507,222	Uncollectible debts	274,507,222	Uncollectible debts
Quoc Thinh Automobile Co., Ltd	146,491,504	Uncollectible debts	146,491,504	Uncollectible

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province
Notes to the Interim Consolidated Financial Statements (cont)

Appendix 01: Details of Written-off Bad Debts

	Ending Balance		Beginning Balance	
	Value	Reason for debt write-off	Value	Reason for debt write-off
Hoang Long Hiep Service and Trading Co., Ltd	43,797,000	Uncollectible debts	43,797,000	Uncollectible debts
Hoang Hai Automobile Enterprise	184,527,248	Uncollectible debts	184,527,248	Uncollectible debts
Hoang Nam Co., Ltd	29,612,000	Uncollectible debts	29,612,000	Uncollectible debts
Kim Hoang Hao Joint Stock Company	14,300,000	Uncollectible debts	14,300,000	Uncollectible debts
Hoang Loi Co., Ltd	149,812,931	Uncollectible debts	149,812,931	Uncollectible debts
Hai Phong Automobile Industry Trading Joint Stock Company	51,245,501	Uncollectible debts	51,245,501	Uncollectible debts
Hong Quan Private Enterprise	224,313,000	Uncollectible debts	224,313,000	Uncollectible debts
Hung Tuyen Private Enterprise	466,953,000	Uncollectible debts	466,953,000	Uncollectible debts
Huynh De Automobile Joint Stock Company	78,574,840	Uncollectible debts	78,574,840	Uncollectible debts
Lam Viet Co., Ltd	23,693,500	Uncollectible debts	23,693,500	Uncollectible debts
Thai Binh One Member Co., Ltd	197,546,940	Uncollectible debts	197,546,940	Uncollectible debts
Nam Mai Co., Ltd	15,460,696	Uncollectible debts	15,460,696	Uncollectible debts
Ngoc Khanh Joint Stock Company	33,396,498	Uncollectible debts	33,396,498	Uncollectible debts
Ngoc Hung Co., Ltd	61,815,250	Uncollectible debts	61,815,250	Uncollectible debts
Quang Loi Co., Ltd	31,925,500	Uncollectible debts	31,925,500	Uncollectible debts
Dai Phat Steel Co., Ltd	26,091,000	Uncollectible debts	26,091,000	Uncollectible debts
Thanh Do Joint Stock Company	23,384,999	Uncollectible debts	23,384,999	Uncollectible debts
Thanh Tam Automobile Co., Ltd	101,356,000	Uncollectible debts	101,356,000	Uncollectible debts
Thien Phu Co., Ltd	496,948,022	Uncollectible debts	496,948,022	Uncollectible debts
Tan Dat Trading Import-Export Co., Ltd	65,721,999	Uncollectible debts	65,721,999	Uncollectible debts
Thinh Hung Co., Ltd	176,344,000	Uncollectible debts	176,344,000	Uncollectible debts
Tuan Nam Trang Automobile Joint Stock Company	493,337,810	Uncollectible debts	493,337,810	Uncollectible debts
Trung Son Co., Ltd	13,059,600	Uncollectible debts	13,059,600	Uncollectible

GIAI PHONG MOTOR JOINT STOCK COMPANY

Address: Thanh Thuy Border Economic Zone, Thanh Thuy Commune, Tuyen Quang Province

Notes to the Interim Consolidated Financial Statements (cont)

Appendix 01: Details of Written-off Bad Debts

	Ending Balance		Beginning Balance	
	Value	Reason for debt write-off	Value	Reason for debt write-off
Trong Thien Private Enterprise	74,636,547	Uncollectible debts	74,636,547	Uncollectible debts
Yuejin Viet Nam Joint Stock Company	420,000,000	Uncollectible debts	420,000,000	Uncollectible debts
Quality Consulting and Technology Development Co., Ltd	76,000,000	Uncollectible debts	76,000,000	Uncollectible debts
Construction Architecture Consulting Center	45,000,000	Uncollectible debts	45,000,000	Uncollectible debts
Canh Thinh Manufacturing and Trading Co., Ltd	34,095,000	Uncollectible debts	34,095,000	Uncollectible debts
Ha Linh Special-Purpose Automobile Co., Ltd	739,935,000	Uncollectible debts	739,935,000	Uncollectible debts
Phu Ha Environment Co., Ltd	10,000,000	Uncollectible debts	10,000,000	Uncollectible debts
Mr. Dang Quoc Khanh	50,000,000	Uncollectible debts	50,000,000	Uncollectible debts
Other entities	126,527,852	Uncollectible debts	126,527,852	Uncollectible debts
Total	<u>13,364,745,531</u>		<u>13,364,745,531</u>	