

NAGAKAWA GROUP JOINT STOCK COMPANY
CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025, audited by

NHAN TAM VIET AUDITING COMPANY LIMITED

Người ký: CÔNG TY CỔ
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REPORT OF THE MANAGEMENT

The Management of the Company presents its report together with the audited consolidated financial statements for the fiscal year ended 31 December 2025.

THE COMPANY

Nagakawa Group Joint Stock Company, formerly Nagakawa Vietnam Joint Venture Company, was established and operated under Investment Licence No. 24/CP-VP dated 22 August 2002 issued by the People's Committee of Vinh Phuc Province. The Company was converted from Nagakawa Vietnam Joint Venture Company into a Vietnamese enterprise pursuant to Decision No. 853/QD-UBND dated 21 March 2007 of the People's Committee of Vinh Phuc Province and has operated under Business Registration Certificate No. 1903000273 dated 21 March 2007 issued by the Department of Planning and Investment of Vinh Phuc Province.

During its operation, the Company has been granted 25 amended business registration certificates in relation to changes in capital, the charter capital structure of the founding shareholders, additions of business lines and the change of the Company's name. The 25th amended Business Registration Certificate No. 2500217389 was issued by the Business Registration Division of the Department of Finance of Phu Tho Province on 22 September 2025 in respect of the change in charter capital.

Charter capital under the 25th amended Business Registration Certificate: VND 386,202,350,000.

HEAD OFFICE:

Address : Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province
Telephone : 0211 3 873 568
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Tax code : 2 5 0 0 2 1 7 3 8 9

FINANCIAL POSITION AND BUSINESS RESULTS

The financial position as at 31 December 2025, and the consolidated results of operations and consolidated cash flows for the fiscal year then ended of the Company are presented in the consolidated financial statements attached to this Report (from page 07 to page 63).

EVENTS AFTER THE FISCAL YEAR END

The Management of the Company confirms that there were no events occurring after 31 December 2025 up to the date of preparation of these consolidated financial statements that have not been considered for adjustment or disclosure in the consolidated financial statements.

BOARD OF DIRECTORS AND MANAGEMENT

The members of the Board of Directors during the year and up to the date of this Report comprise:

Full name	Position
Mr. Nguyen Ngoc Quy	Chairman
Ms. Nguyen Thi Huyen Thuong	Vice Chairwoman
Ms. Truong Dao Hai Ha	Member
Mr. Pham Anh Tuan	Member
Mr. Doan Duc Hoa	Member

NAGAKAWA GROUP JOINT STOCK COMPANY
REPORT OF THE MANAGEMENT (continued)

The members of the Supervisory Board during the year and up to the date of this Report comprise:

Full name	Position
Ms. Nguyen Thi Thu Thao	Head of the Supervisory Board
Ms. Vu Hai Yen	Member
Ms. Pham Thi Hue Anh	Member

The members of the Management during the year and up to the date of this Report comprise

Full name	Position
Ms. Nguyen Thi Huyen Thuong	General Director
Ms. Huy Thi Dung	Deputy General Director
Mr. Tran Ba Dat	Deputy General Director
Ms. Nguyen Thi Bich Thuy	Deputy General Director
Ms. Trinh Thi Phuong	Chief Accountant

Relieved from duty on October 9, 2025

AUDITOR

Nhan Tam Viet Auditing Company Limited has audited the consolidated financial statements for the fiscal year ended 31 December 2025.

STATEMENT OF RESPONSIBILITIES OF THE MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the consolidated financial statements that give a true and fair view of the financial position, results of operations and cash flows of the Company for the year. In preparing these consolidated financial statements, the Management of the Company has undertaken to comply with the following requirements:

- Establishing and maintaining internal controls that the Management determines are necessary to ensure that the preparation and presentation of the consolidated financial statements are free from material misstatement, whether due to fraud or error;
- Selecting appropriate accounting policies and applying them consistently;
- Making reasonable and prudent judgments and estimates;
- Stating whether the applicable accounting standards have been complied with and whether any material departures that are required to be disclosed and explained in the consolidated financial statements have occurred;;
- Preparing and presenting the consolidated financial statements in compliance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting Regime and legal regulations relating to the preparation and presentation of consolidated financial statements;
- Preparing the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue its business operations.

The Management of the Company ensures that accounting records are maintained so as to reflect the financial position of the Company with a true and fair view at any time and to ensure that the

NAGAKAWA GROUP JOINT STOCK COMPANY
REPORT OF THE MANAGEMENT (continued)

consolidated financial statements comply with current State regulations. The Management is also responsible for safeguarding the assets of the Company and for taking appropriate measures to prevent and detect fraud and other violations. The Management confirms that the consolidated financial statements fairly present the financial position of the Company as at 31 December 2025, the results of operations and the cash flows for the fiscal year ended 31 December 2025, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting Regime and relevant legal regulations relating to the preparation and presentation of consolidated financial statements.

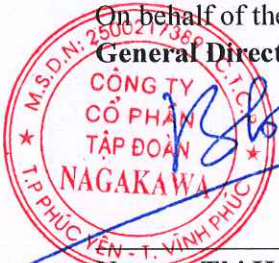
OTHER COMMITMENTS

The Management undertakes that the Company complies with the Law on Securities No. 54/2019/QH14 dated 26 November 2019, the Law amending the Law on Securities No. 56/2024/QH15 dated 29 November 2024, and the circulars and decrees guiding implementation and information disclosure in the securities market.

Vinh Phuc, 31 March 2026

On behalf of the Management

General Director



Nguyen Thi Huyen Thuong

No. : 2807.01.06/2025/BCTC-NTV2

INDEPENDENT AUDITOR'S REPORT
On the Consolidated Financial Statements for the year 2025

To : **The Shareholders, the Board of Directors and the Management**
Nagakawa Group Joint Stock Company

We have audited the accompanying consolidated financial statements of Nagakawa Group Joint Stock Company, prepared on 31 March 2026, from page 07 to page 63, which comprise the Consolidated Balance Sheet as at 31 December 2025, the Consolidated Statement of Income, the Consolidated Statement of Cash Flows for the fiscal year then ended, and the Notes to the Consolidated Financial Statements.

Responsibility of the Management

The Management of Nagakawa Group Joint Stock Company is responsible for the preparation and fair presentation of the consolidated financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting Regime and relevant legal regulations relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the Management determines is necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nagakawa Group Joint Stock Company as at 31 December 2025, and its consolidated results of operations and consolidated cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting Regime and relevant legal regulations relating to the preparation and presentation of the consolidated financial statements.

Hanoi, 31 March 2026

NHAN TAM VIET AUDITING COMPANY LIMITED

Deputy General Director

Auditor



Pham Van Tuan

Certificate of Audit Practising
Registration No.: 4497-2023-124-1

Nguyen Thi Tuyet

Certificate of Audit Practising
Registration No.: 1475-2023-124-1

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

Unit: VND

ASSET	Code	Explan ation	Ending Balance	Beginning Balance
A - SHORT-TERM ASSETS	100		1,997,621,049,986	1,632,242,146,601
I. Cash and cash equivalents	110	V.1	247,692,121,714	71,646,409,892
1. Cash	111		16,426,775,714	21,646,409,892
2. Cash equivalents	112		231,265,346,000	50,000,000,000
II. Short-term financial investment	120		228,330,589,845	326,625,754,419
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123	V.2a	228,330,589,845	326,625,754,419
III. Short-term receivables	130		644,976,291,866	486,437,626,352
1. Short-term trade receivables	131	V.3	523,620,100,632	410,181,287,521
2. Short-term vendor advance	132	V.4	82,689,842,052	32,794,597,855
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135	V.5	28,702,947,000	35,096,000,000
6. Other short-term receivables	136	V.6a	13,929,253,488	13,059,730,141
7. Provision for doubtful short-term receivables	137	V.7	(3,965,851,306)	(4,693,989,165)
8. Assets missing pending resolution	139		-	-
IV. Inventory	140		870,790,705,299	739,136,355,910
1. Inventory	141	V.8	873,964,150,377	743,349,146,847
2. Provision for inventory write-down	149	V.8	(3,173,445,078)	(4,212,790,937)
V. Other short-term assets	150		5,831,341,262	8,396,000,028
1. Short-term prepaid expenses	151	V.9a	1,698,450,517	3,108,368,785
2. Deductible value added tax	152		4,132,890,745	5,245,907,999
3. Taxes and other amounts receivable from the State	153	V.17	-	41,723,244
4. Government bond repurchase transaction	154		-	-
5. Other short-term assets	155		-	-

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Consolidated Balance Sheet (continued)

ASSET	Code	Explan ation	Ending Balance	Beginning Balance
B - LONG-TERM ASSETS	200		223,627,091,055	172,841,345,781
I. Long-term receivables	210		2,280,487,818	2,167,151,526
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	V.6b	2,280,487,818	2,167,151,526
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		96,698,152,045	94,436,662,507
1. Tangible fixed assets	221	V.10	77,892,173,400	87,940,523,560
<i>Original price</i>	222		177,793,566,439	179,098,245,872
<i>Accumulated depreciation</i>	223		(99,901,393,039)	(91,157,722,312)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.11	18,805,978,645	6,496,138,947
<i>Original price</i>	228		21,687,008,519	8,687,008,519
<i>Accumulated depreciation</i>	229		(2,881,029,874)	(2,190,869,572)
III. Investment real estate	230	V.15	48,127,233,750	-
Original price	231		48,127,233,750	-
Accumulated depreciation	232		-	-
IV. Long-term unfinished assets	240		3,242,891,234	193,780,000
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242	V.12	3,242,891,234	193,780,000
V. Long-term financial investment	250		48,912,298,248	48,134,609,114
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252	V.2b	28,912,298,248	28,134,609,114
3. Investing in other entities	253		-	-
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255	V.2b	20,000,000,000	20,000,000,000
VI. Other long-term assets	260		24,366,027,960	27,909,142,634
1. Long-term prepaid expenses	261	V.9b	2,435,441,441	4,391,473,182
2. Deferred income tax assets	262	V.13	5,296,794,418	3,611,655,954
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Goodwill	269	V.14	16,633,792,101	19,906,013,498
TOTAL ASSETS	270		2,221,248,141,042	1,805,083,492,382

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Consolidated Balance Sheet (continued)

CAPITAL SOURCE	Code	Explan ation	Ending Balance	Beginning Balance
C - LIABILITIES PAYABLE	300		1,743,762,154,363	1,376,101,070,986
I. Short-term debt	310		1,742,214,073,197	1,374,609,613,734
1. Short-term trade payables	311	V.15	173,760,596,932	182,004,186,374
2. Short-term advance payment buyer	312	V.16	32,018,266,830	14,778,405,623
3. Taxes and other payments to the State	313	V.17	22,718,842,276	22,949,340,668
4. Payable to workers	314		4,745,998,985	4,284,315,817
5. Short-term payable expenses	315	V.18	2,905,388,799	5,188,714,834
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.19	3,822,132,328	2,902,233,669
10. Short-term loans and finance leases	320	V.20	1,496,505,392,889	1,137,306,992,519
11. Provision for short-term payables	321	V.21	4,433,611,537	3,891,581,609
12. Bonus and welfare fund	322	V.22	1,303,842,621	1,303,842,621
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
II. Long-term debt	330		1,548,081,166	1,491,457,252
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		-	-
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341	V.23	1,548,081,166	1,491,457,252
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Consolidated Balance Sheet (continued)

CAPITAL SOURCE	Code	Explan ation	Ending Balance	Beginning Balance
D - OWNER'S EQUITY	400		477,485,986,678	428,982,421,396
I. Equity	410	V.24	477,485,986,678	428,982,421,396
1. Owner's equity	411		386,202,350,000	341,777,690,000
- Common shares with voting rights	411a		386,202,350,000	341,777,690,000
- Preferred stock	411b		-	-
2. Capital surplus	412		5,148,010,000	5,348,010,000
3. Bond conversion option	413		-	-
4. Other owners' equity	414		-	-
5. Treasury stock	415		(20,000)	(20,000)
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		-	-
8. Development investment fund	418		11,174,990,263	9,827,781,376
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		54,722,667,422	52,265,629,264
- Undistributed profit after tax accumulated to the end of previous period	421a		22,316,760,377	25,293,009,474
- Undistributed profit this period	421b		32,405,907,045	26,972,619,790
12. Source of capital for basic construction investment	422		-	-
13. Non-controlling interests	429		20,237,988,993	19,763,330,756
II. Other funding sources and funds	430		-	-
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
TOTAL CAPITAL	440		2,221,248,141,042	1,805,083,492,382

Prepared by

Pham Thi Cam Van

Chief Accountant

Trinh Thi Phuong

Prepared on 31 March 2026

General Director

Nguyen Thi Huyen Thuong



NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

CONSOLIDATED STATEMENT OF INCOME

for the fiscal year ended 31 December 2025

Unit: VND

INDICATORS	Code	Explan ation	This year		Last year	
1. Sales and service revenue	01	VI.1	3,328,951,061,321		2,744,023,280,166	
2. Revenue deductions	02		30,012,694,937		20,768,667,379	
3. Net revenue from sales and services	10		3,298,938,366,384		2,723,254,612,787	
4. Cost of goods sold	11	VI.2	3,004,389,392,797		2,425,860,285,621	
5. Gross profit from sales and service provision	20		294,548,973,587		297,394,327,166	
6. Financial revenue	21	VI.3	22,245,126,794		25,038,825,613	
7. Financial costs	22	VI.4	95,878,519,997		77,496,228,258	
Including: interest expense	23		73,731,350,205		63,701,223,983	
8. Share of profit or loss in joint ventures and associates	24		777,689,134		229,818,181	
9. Selling expenses	25	VI.5	130,789,362,950		169,619,119,432	
10. Business management costs	26	VI.6	43,441,127,024		42,436,542,835	
11. Net operating profit	30		47,462,779,544		33,111,080,435	
12. Other income	31	VI.7	648,376,565		4,652,757,619	
13. Other costs	32	VI.8	4,560,291,654		2,393,931,214	
14. Other profits	40		(3,911,915,089)		2,258,826,405	
15. Total accounting profit before tax	50		43,550,864,455		35,369,906,840	
16. Current corporate income tax expense	51	VI.9	12,298,813,723		8,185,972,364	
17. Deferred corporate income tax expense	52	VI.10	(1,628,514,550)		239,756,731	
18. Profit after corporate income tax	60		32,880,565,282		26,944,177,745	
19. Profit after tax attributable to the parent company	61		32,405,907,045		26,972,619,790	
20. Profit after tax attributable to non-controlling interests	62		474,658,237		(28,442,045)	
21. Basic earnings per share	70	VI.11	863		728	
22. Diluted earnings per share	71	VI.11	863		728	

Prepared by

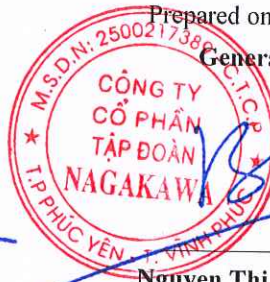
Chief Accountant

Prepared on 31 March 2026

General Director

Pham Thi Cam Van

Trinh Thi Phuong


 Nguyen Thi Huyen Thuong

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

(By indirect method)

for the fiscal year ended 31 December 2025

Unit: VND

INDICATORS	Cod e	Explan ation	This year	Last year
I. Cash flows from operating activities				
1. Profit before tax	01		43,550,864,455	35,369,906,840
2. Adjustments for:				
- Depreciation of fixed assets and investment properties	02		11,287,094,666	11,848,781,365
- Provisions	03		(1,225,453,790)	1,288,555,629
- Foreign exchange gains or losses arising from revaluation of monetary items denominated in foreign currencies	04		(10,322)	(180,171,314)
- Gains or losses from investing activities	05		(18,206,204,647)	(21,287,000,746)
- Interest expenses	06		73,731,350,205	63,701,223,983
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		109,137,640,567	90,741,295,757
- Increase or decrease in receivables	09		(129,325,428,664)	(41,929,951,052)
- Increase or decrease in inventories	10		(130,615,003,530)	(2,947,488,497)
- Increase or decrease in payables	11		(1,412,619,578)	32,378,152,811
- Increase or decrease in prepaid expenses	12		3,365,950,009	7,276,627,724
- Increase or decrease in trading securities	13		-	-
- Interest paid	14		(73,457,271,365)	(64,199,417,841)
- Corporate income tax paid	15		(8,430,314,555)	(9,886,161,629)
- Other cash receipts from operating activities	16		-	-
- Other cash payments for operating activities	17		-	(104,344,908)
Net cash flows from operating activities	20		(230,737,047,116)	11,328,712,365
II. Cash flows from investing activities				
1. Cash payments for purchases and construction of fixed assets and other long-term assets	21		(90,388,179,208)	(3,057,967,166)
2. Cash receipts from disposal and sale of fixed assets and other long-term assets	22		105,000,000	150,000,000
3. Cash payments for lending and purchase of debt instruments of other entities	23		(226,167,476,198)	335,774,194,942
4. Cash receipts from collection of loans and resale of debt instruments of other entities	24		317,930,514,745	(478,232,324,402)
5. Cash payments for investments in other entities	25		-	(12,000,000,000)
6. Cash receipts from recovery of investments in other entities	26		-	-
7. Interest received, dividends and profits received	27		16,022,451,416	14,113,001,664
Net cash flows from investing activities	30		17,502,310,755	(143,253,094,962)

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

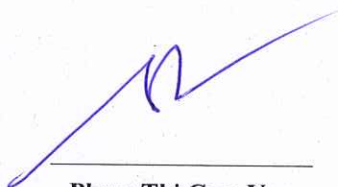
CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

CO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

INDICATORS	Cod e	Explan ation	This year	Last year
III. Cash flows from financing activities				
1. Cash receipts from issuing shares and receiving capital contributions from owners	31		15,823,000,000	-
2. Cash payments for returning capital contributions to owners and repurchasing issued shares	32		-	-
3. Cash receipts from borrowings	33		3,270,074,986,014	2,616,068,927,092
4. Cash payments for repayment of borrowings	34		(2,896,617,537,831)	(2,459,046,223,931)
5. Cash payments for repayment of finance lease liabilities	35		-	-
6. Dividends and profits paid to owners	36		-	-
<i>Net cash flows from financing activities</i>	40		<u>389,280,448,183</u>	<u>157,022,703,161</u>
Net cash flows during the year	50		176,045,711,822	25,098,320,564
Cash and cash equivalents at beginning of year	60	V.1	71,646,409,892	46,548,089,328
Effect of exchange rate changes on cash and cash equivalents	61		-	-
Cash and cash equivalents at end of year	70	V.1	<u>247,692,121,714</u>	<u>71,646,409,892</u>

Prepared by



Pham Thi Cam Van

Chief Accountant



Trinh Thi Phuong

Prepared on 31 March 2026

General Director



 Nguyen Thi Huyen Thuong

NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province

CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

I. COMPANY'S OPERATING CHARACTERISTICS

1. **Form of ownership of capital:** Nagakawa Group Joint Stock Company (hereinafter referred to as the "Company") is a joint stock company.

2. **Business lines:** Manufacturing and trading

3. **Overview of the Company**

Nagakawa Group Joint Stock Company, formerly Nagakawa Vietnam Joint Venture Company, was established and operated under Investment Licence No. 24/CP-VP dated 22 August 2002 issued by the People's Committee of Vinh Phuc Province. The Company was converted from Nagakawa Vietnam Joint Venture Company into a Vietnamese enterprise pursuant to Decision No. 853/QD-UBND dated 21 March 2007 of the People's Committee of Vinh Phuc Province and has operated under Business Registration Certificate No. 1903000273 dated 21 March 2007 issued by the Department of Planning and Investment of Vinh Phuc Province.

During its operation, the Company has been granted 25 amended business registration certificates in relation to changes in capital, the charter capital structure of the founding shareholders, additions of business lines and the change of the Company's name. The 25th amended Business Registration Certificate No. 2500217389 was issued by the Business Registration Division of the Department of Finance of Phu Tho Province on 22 September 2025 in respect of the change in charter capital.

Charter capital under the 25th amended Business Registration Certificate: VND 386,202,350,000.

HEAD OFFICE:

Address : Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province
Telephone : 0211 3 873 568
Fax : 0211 3 530 265/3 548 020
E-mail : Info@nagakawa.com.vn
Tax code : 2 5 0 0 2 1 7 3 8 9

4. **Business lines:**

The principal business lines of the Company comprise:

- Manufacture of consumer electronic products;
- Manufacture of household electrical appliances. Details: Manufacture of household electrical appliances and air conditioners;
- Installation of water supply, drainage, heating and air-conditioning systems;
- Other construction installation activities. Details: Design of ventilation, heating and air-conditioning systems for construction works; other construction installation activities;
- Manufacture of other electrical equipment. Details: Manufacture and trading of electrical machinery and equipment and electrical materials./.

5. **Normal production and business cycle**

The normal production and business cycle of the Company does not exceed 12 months.

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for the fiscal year ended 31 December 2025

Notes to the Consolidated Financial Statements (continued)**6. Employees**

As at the fiscal year end, the Company had 214 employees (beginning balance: 228 employees).

7. Enterprise structure:**Consolidated subsidiaries (*):**

<i>Company name</i>	<i>Head office address</i>	<i>Principal activities</i>	<i>Actual ownership interest</i>	<i>Ownership interest per ERC</i>
Nagakawa Technical Investment and Development Joint Stock Company	Xuan Thuong 1 Residential Group, Phuc Yen Ward, Phu Tho Province	Retail and wholesale of electronic equipment and components; installation of air-conditioning systems for construction works	80%	80%
Nagakawa Da Nang Joint Stock Company	94 Nam Tran, Thanh Khe Ward, Da Nang City	Retail and wholesale of electronic equipment, electronic components and household appliances	52%	52%
Nagakawa Ho Chi Minh City Joint Stock Company	25 Doan Thi Diem, Cau Kieu Ward, Ho Chi Minh City	Retail and wholesale of electronic equipment, electronic components and household appliances	51%	51%
Nagakawa Electronics Joint Stock Company	3rd Floor, Gold Tower Building, 275 Nguyen Trai, Khuong Dinh Ward, Hanoi	Retail and wholesale of electronic equipment, electronic components and household appliances	51%	51%
Viet Phuc Hung Yen Joint Stock Company	Vinh Bao Hamlet, Nghia Tru Commune, Hung Yen Province	Warehouse leasing and retail and wholesale of electronic equipment, electronic components and household appliances	96.92%	96.92%
Nagakwa High Technology Joint Stock Company	No. 56, Alley 109, Cau Buu Street, Residential Group 15, Kien Hung Ward, Hanoi	Information technology service activities and other services related to computers	55%	55%

(*) The Company's subsidiaries are all operating normally

Joint ventures and associates:

<i>Company name</i>	<i>Head office address</i>	<i>Principal activities</i>	<i>Actual ownership interest</i>	<i>Ownership interest per ERC</i>
KLW Vietnam Garment Joint Stock Company	Lot M, Binh Xuyen Industrial Park, Binh Nguyen Commune, Phu Tho Province, Vietnam	Garment processing (operating normally)	48%	48%

Independently accounted dependent units:

<i>Unit name</i>	<i>Address</i>	<i>Principal business activity</i>
Nagakawa Group Joint Stock Company - Hanoi Branch	3rd Floor, Gold Tower Building, No. 275 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City	Retail and wholesale of electronic equipment, electronic components and household appliances (operating normally)

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CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Notes to the Consolidated Financial Statements (continued)

- 8. Statement on comparability of information in the Combined Financial Statements:** The figures in the Combined Financial Statements for the year 2025 are fully consistent with and comparable to those in the Combined Financial Statements for the year 2024.

II. FISCAL YEAR AND ACCOUNTING CURRENCY USED

1. Fiscal year

The Company's fiscal year begins on 01 January and ends on 31 December each year.

2. Accounting currency

The accounting currency used in accounting is Vietnam Dong (VND), as most receipts and payments are made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting system applied

The Management assures that it has complied with the requirements of Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC in 2016 amending and supplementing Circular No. 200/2014/TT-BTC, as well as the circulars guiding the implementation of accounting standards issued by the Ministry of Finance in the preparation of the Financial Statements.

2. Statement of compliance with accounting standards and the Vietnamese accounting system

The Management assures that it has complied with the requirements of Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC in 2016 amending and supplementing Circular No. 200/2014/TT-BTC, as well as the circulars guiding the implementation of accounting standards issued by the Ministry of Finance in the preparation of the Financial Statements.

3. Accounting form applied

The Company applies the General Journal accounting form on computers.

IV. ACCOUNTING POLICIES APPLIED

1. Basis of preparation of the consolidated financial statements

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

The consolidated financial statements comprise the financial statements of Nagakawa Group Joint Stock Company (the parent company) and its subsidiaries. A subsidiary is an entity controlled by the parent company. Control exists where the parent company has the power, directly or indirectly, to govern the financial and operating policies of the subsidiary so as to obtain economic benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The results of operations of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal of the investment in such subsidiary.

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for the fiscal year ended 31 December 2025

Notes to the Consolidated Financial Statements (continued)

Where the accounting policies of a subsidiary differ from the accounting policies adopted uniformly within the Group, appropriate adjustments are made to the financial statements of that subsidiary before they are used for the preparation of the consolidated financial statements.

Balances of accounts in the balance sheet between companies within the same Group, internal transactions and unrealised internal profits arising from such transactions are eliminated in preparing the consolidated financial statements. Unrealised losses arising from internal transactions are also eliminated unless the cost giving rise to such losses is not recoverable.

Non-controlling interests represent the portion of profit or loss and net assets of a subsidiary not held by the shareholders of the parent company and are presented separately in the consolidated statement of income and the consolidated balance sheet. Non-controlling interests include the value of such interests at the date of the initial business combination and the non-controlling interests' share of changes in equity since the date of the business combination. Losses attributable to non-controlling interests in excess of their interests in the equity of a subsidiary are charged against the interests of the Group unless the non-controlling interests have a binding obligation and are able to make good such losses.

2. Business combinations

The assets, liabilities and contingent liabilities of an entity are determined at fair value at the date of acquisition of the subsidiary. Any excess of the purchase consideration over the aggregate fair value of the acquired net assets is recognised as goodwill. Any deficit of the purchase consideration below the aggregate fair value of the acquired net assets is recognised in the results of operations of the period in which the acquisition of the subsidiary occurs.

Non-controlling interests at the date of the initial business combination are determined on the basis of the non-controlling interests' proportionate share in the total fair value of the recognised assets, liabilities and contingent liabilities.

3. Cash and cash equivalents

Cash comprises cash on hand, demand deposits at banks and monetary gold held for the purpose of preserving value, excluding gold classified as inventories for use as raw materials in the production of products or goods for sale.

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

4. Exchange rates applied in accounting and principles for accounting for exchange differences

The Company has transactions denominated in foreign currencies: USD.

Exchange differences arising during the year and exchange differences arising from the revaluation of foreign currency monetary items at the year end are recognised in income or expenses for the year. Exchange differences arising from the revaluation of foreign currency balances at the year end are accounted for in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance.

Transactions arising in foreign currencies are translated at the exchange rates prevailing on the transaction dates. Balances of foreign currency monetary items at the year end are translated at the exchange rates prevailing at the fiscal year end.

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Notes to the Consolidated Financial Statements (continued)

Exchange differences arising during the year from transactions in foreign currencies of foreign currency monetary items and exchange differences arising from the revaluation of foreign currency monetary items at the year end, after offsetting exchange gains and exchange losses, are recognised as finance income or finance expenses.

The exchange rates used to translate foreign currency transactions are the actual exchange rates prevailing at the transaction dates of the commercial bank where the Company enters into the transactions. The exchange rates used to revalue balances of foreign currency monetary items at the year end are the buying rates of the commercial bank or the average buying rates of the commercial banks where the Company maintains its accounts, as announced at the fiscal year end/accounting period end.

The exchange rates used for translation as at 31 December 2025 are specifically as follows:

Bank deposits, deposits and escrow deposits, and receivables are translated at the buying rate of the Joint Stock Commercial Bank for Investment and Development of Vietnam, being VND 26,085/USD.

Payables are translated at the selling rate of the Joint Stock Commercial Bank for Investment and Development of Vietnam, being VND 26,300/USD.

5. Accounting principles for financial investments

Held-to-maturity investments

An investment is classified as held to maturity when the Company has the intention and ability to hold it until maturity. Held-to-maturity investments include term deposits at banks (including treasury bills and promissory notes), bonds, redeemable preference shares that the issuer is required to repurchase at a specified date in the future, loans held to maturity for the purpose of earning periodic interest, and other held-to-maturity investments.

Held-to-maturity investments are initially recognised at cost, including purchase price and costs directly attributable to the acquisition of the investments. Subsequent to initial recognition, these investments are carried at recoverable amount. Interest income from held-to-maturity investments arising after the date of purchase is recognised in the statement of income on an accrual basis. Interest accrued before the Company acquires the investment is deducted from the cost at the time of purchase.

When there is reliable evidence that part or all of an investment may not be recoverable and the loss can be determined reliably, such loss is recognised in finance expenses for the year and deducted directly from the carrying amount of the investment.

Investments in subsidiaries, joint ventures and associates

Subsidiaries

A subsidiary is a company controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of the investee so as to obtain economic benefits from its activities.

Joint ventures

A joint venture is an entity established under a contractual arrangement whereby the Company and other parties undertake economic activities subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, whereby strategic financial and operating policy decisions relating to the joint venture require the unanimous consent of the venturers.

Associates

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Notes to the Consolidated Financial Statements (continued)

An associate is a company over which the Company has significant influence but not control over its financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

Investments in subsidiaries, joint ventures and associates are initially recognised at cost, including purchase price or contributed capital plus costs directly attributable to the investment. Where the investment is made by means of non-cash assets, the cost of the investment is recognised at the fair value of the non-cash assets at the date incurred.

Dividends and profits relating to periods before the investment is acquired are deducted from the carrying amount of the investment. Dividends and profits relating to periods after the investment is acquired are recognised as income. Share dividends received are monitored only in terms of the additional number of shares received and no value is recognised for such shares/they are recognised at par value.

Provision for impairment of investments in subsidiaries, joint ventures and associates is made when the subsidiaries, joint ventures or associates incur losses, at an amount equal to the difference between the actual contributed capital of the parties in the subsidiaries, joint ventures or associates and the actual equity multiplied by the Company's ownership ratio over the total actual contributed capital of the parties in the subsidiaries, joint ventures or associates. If the subsidiaries, joint ventures or associates are required to prepare consolidated financial statements, the basis for determining impairment provision is the consolidated financial statements.

Any increase or decrease in the provision for impairment of investments in subsidiaries, joint ventures and associates required to be made at the fiscal year end is recognised in finance expenses.

6. Trade receivables and other receivables

Trade receivables and other receivables are recognised based on actual amounts incurred. Receivables are presented at carrying amount less allowance for doubtful receivables.

The classification of receivables as trade receivables, internal receivables and other receivables is made on the following basis:

- Trade receivables reflect receivables of a commercial nature arising from purchase and sale transactions between the Company and buyers that are independent entities from the Company, including receivables from export sales entrusted to other entities.
- Internal receivables reflect receivables from dependent units without separate legal status.
- Other receivables reflect receivables that are non-commercial in nature and unrelated to purchase and sale transactions.

Allowance for doubtful receivables is made for each doubtful receivable based on the age of overdue debts or the estimated level of loss that may arise, specifically as follows:

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

For receivables that are not yet overdue but are considered unlikely to be recoverable, provision is made based on the estimated level of loss.

7. Principles for recognition of inventories

Inventories are recognised at the lower of cost and net realisable value.

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Notes to the Consolidated Financial Statements (continued)

The cost of inventories is determined as follows:

- Raw materials and merchandise: including purchase cost and other directly attributable costs incurred in bringing the inventories to their present location and condition.
- Finished goods: comprising direct materials, direct labour and related production overheads allocated on the basis of normal operating capacity
- Work in progress: comprising only main raw material costs, labour costs, depreciation of assets used for production activities and production overheads related to production activities.

Net realisable value is the estimated selling price of inventories in the normal course of production and business less the estimated costs of completion and the estimated costs necessary for their consumption.

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

Allowance for decline in value of inventories is made for each inventory item whose cost exceeds its net realisable value. For unfinished services rendered, allowance for decline in value is determined for each type of service with a separate price. Any increase or decrease in the allowance for decline in value of inventories required to be made at the fiscal year end is recognised in cost of sales.

8. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of a tangible fixed asset comprises all costs incurred by the Company to acquire the asset up to the time it is ready for use. Expenditures incurred after initial recognition are added to the carrying amount of the asset only if such expenditures will probably result in future economic benefits in excess of the originally assessed standard of performance of the existing asset. Expenditures that do not meet the above condition are recognised as production and business expenses for the year.

When tangible fixed assets are sold or disposed of, their cost and accumulated depreciation are derecognised and any resulting gains or losses from disposal are recognised in income or expenses for the year.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives. The depreciation period for each category of tangible fixed assets is as follows:

<u>Category of fixed assets</u>	<u>Number of years</u>
Buildings and structures	10 - 25
Machinery and equipment	06 – 10
Means of transportation and transmission	06 – 08
Management equipment and tools	03-05
Other fixed assets	05

9. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises all costs incurred by the Company to acquire the asset up to the time it is ready for use. Costs relating to intangible fixed assets incurred after initial recognition are recognised as production and business expenses for the year, unless such

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Notes to the Consolidated Financial Statements (continued)

costs are associated with a specific intangible fixed asset and increase the economic benefits derived from that asset.

When an intangible fixed asset is sold or disposed of, its cost and accumulated amortisation are derecognised and any resulting gains or losses from disposal are recognised in income or expenses for the year.

The Company's intangible fixed assets comprise:

Land use rights

Land use rights comprise all actual costs directly related to the land used that have been incurred by the Company, including amounts paid to acquire land use rights, compensation costs, site clearance costs, land levelling costs, registration fees, etc.

The Company's land use rights are amortised as follows:

- Legally acquired through transfer: amortised using the straight-line method over the land allocation term; land use rights with indefinite term are not amortised.

Software programs

Costs relating to computer software programs that are not an integral part of the related hardware are capitalised. The cost of computer software comprises all costs incurred by the Company up to the time the software is put into use. Computer software is amortised using the straight-line method over 5 years.

10. Investment Property

Investment property comprises land use rights, buildings, parts of buildings or infrastructure owned by the Company that are held to earn rental income or for capital appreciation. Investment properties are stated at cost less accumulated depreciation.

The cost of an investment property represents all expenditures incurred by the Company or the fair value of consideration given to acquire the investment property up to the time of purchase or completion of construction.

Subsequent expenditures relating to investment properties are recognized as expenses in the period in which they are incurred, unless it is probable that such expenditures will result in future economic benefits in excess of the originally assessed standard of performance, in which case they are capitalized as part of the cost of the investment property.

When an investment property is disposed of, its cost and accumulated depreciation are derecognized, and any resulting gain or loss is recognized in profit or loss for the year.

Transfers from owner-occupied property or inventories to investment property are made only when there is a change in use, evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the completion of construction. Transfers from investment property to owner-occupied property or inventories are made only when there is a change in use, evidenced by the commencement of owner-occupation or the initiation of development with a view to sale. Such transfers do not change the cost or carrying amount of the property at the date of transfer.

Investment properties held for capital appreciation are not depreciated. Where there is objective evidence that such properties have declined in value compared to their market value and the decrease can be measured reliably, the cost of the investment property is written down and the loss is recognized in cost of sales.

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The Company's investment properties include:

Land use rights

Land use rights represent all actual costs directly attributable to land use, including payments to obtain land use rights, compensation and site clearance costs, land leveling costs, registration fees, and other related expenditures.

In accordance with Vietnamese Accounting Standard No. 05 – Investment Property, the fair value of investment properties as at December 31, 2025 is required to be disclosed. However, the Company has not yet determined the fair value of these properties as at December 31, 2025 due to the absence of a suitable independent valuer. Accordingly, the fair value of these investment properties has not been disclosed in the Notes to the Financial Statements.

11. Accounting principles for prepaid expenses

Prepaid expenses reflect actual expenses incurred which relate to the results of production and business activities of multiple accounting periods, and the allocation of these expenses to the production and business expenses of subsequent accounting periods.

Tools and supplies

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

Other prepaid expenses

These are expenses serving multiple production and business periods and are allocated to the production and business period over a period not exceeding 3 years.

12. Construction in progress

Construction in progress reflects costs directly related (including borrowing costs, where appropriate, in accordance with the Company's accounting policies) to assets under construction, machinery and equipment under installation for production, lease and management purposes, as well as costs related to the repair of fixed assets in progress. These assets are recognised at cost and are not depreciated.

13. Payables and accrued expenses

Payables and accrued expenses are recognised for amounts payable in the future relating to goods and services received. Accrued expenses are recognised based on reasonable estimates of amounts payable.

The classification of payables into trade payables, accrued expenses, internal payables and other payables is made on the following basis:

- Trade payables reflect payables of a commercial nature arising from transactions for the purchase of goods, services and assets where the sellers are entities independent of the Company, including payables arising from imports through entrusted import agents.
- Accrued expenses reflect payables for goods and services already received from sellers or already provided to buyers but not yet paid due to the absence of invoices or incomplete accounting documents and records, as well as payables to employees for annual leave salary and production and business expenses to be accrued in advance.

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- Internal payables reflect payables between the superior entity and dependent subordinate units without separate legal status.

Other payables reflect payables that are non-commercial in nature and unrelated to transactions for the purchase, sale or provision of goods and services.

14. Principles for recognition of borrowings and finance lease liabilities

The Company is required to monitor in detail the maturities of borrowings and finance lease liabilities. Amounts with repayment terms of more than 12 months from the date of preparation of the consolidated financial statements are presented as long-term borrowings and finance lease liabilities. Amounts due within the next 12 months from the date of preparation of the consolidated financial statements are presented as short-term borrowings and finance lease liabilities for repayment planning purposes.

For finance lease liabilities, the total lease obligation reflected on the credit side of Account 341 is the total amount payable, determined at the present value of the minimum lease payments or the fair value of the leased asset.

Foreign currency borrowings and liabilities are translated into the accounting currency at the actual exchange rate at the transaction date;

Upon repayment of foreign currency borrowings, the debit side of Account 341 is translated at the specific actual book exchange rate for each counterparty;

- At the date of preparation of the financial statements, balances of foreign currency borrowings and finance lease liabilities are revalued at the actual exchange rate prevailing at the date of preparation of the financial statements.

- Exchange differences arising from settlement and year-end revaluation of foreign currency borrowings and finance lease liabilities are recognised in finance income or finance expenses.

15. Provisions

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

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash outflows required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the liability. The increase in the provision due to the passage of time is recognised as finance expenses.

The Company's provisions include:

Provision for product and goods warranty

Provision for product and goods warranty costs is made for each type of product or goods for which warranty commitments are provided.

The rate of provision for product and goods warranty ranges from 0.5% to 1% of revenue from products and goods. This rate is estimated based on historical warranty cost data and the weighted probability of all possible outcomes. Any increase or decrease in the provision for product and goods warranty required to be made at the fiscal year end is recognised in selling expenses.

Provision for warranty of construction works

Provision for warranty of construction works is made for each construction work for which warranty commitments are provided.

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The rate of provision for warranty is 5% of revenue from construction works subject to warranty requirements. This rate is estimated based on historical warranty cost data and the weighted probability of all possible outcomes. Upon expiry of the warranty period, any unused or unutilised provision for warranty of construction works is recognised in other income.

16. Principles for recognition of equity

Contributed capital of owners

Contributed capital of owners is recognised based on the actual capital contributed by shareholders.

Share premium

Share premium is recognised as the excess of the issue price over the par value of shares upon initial issuance or additional issuance, the difference between the reissuance price and the carrying amount of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to additional share issuance and reissuance of treasury shares are deducted from share premium.

Other capital of owners

Other capital is formed from additions resulting from business results, asset revaluation and the residual value being the difference between the fair value of donated, gifted or sponsored assets and related taxes payable, if any.

Treasury shares

When shares issued by the Company are repurchased, the amount paid, including directly attributable transaction costs, is recognised as treasury shares and presented as a deduction from equity. When reissued, the difference between the reissuance price and the carrying amount of treasury shares is recognised in "Share premium".

17. Distribution of profits

Profit after corporate income tax is distributed to shareholders after appropriations to funds in accordance with resolutions of the General Meeting of Shareholders of the Company and applicable legal regulations.

The distribution of profits to shareholders takes into consideration non-cash items included in undistributed profit after tax which may affect cash flows and the ability to pay dividends, such as gains from revaluation of assets contributed as capital, gains from revaluation of monetary items, financial instruments and other non-cash items.

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

During the year, the Company approved the 2024 dividend distribution plan under Resolution No. 01/2025/NQ-DHDCD-NAG of the 2025 Annual General Meeting of Shareholders dated 28 March 2025. Accordingly, dividends payable to shareholders amounted to VND 28,608,050,000, to be paid in shares.

18. Revenue and income recognition

Revenue from sale of goods and finished goods

Revenue from the sale of goods and finished goods is recognised when all of the following conditions are satisfied:

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- The enterprise has transferred substantially all the risks and rewards of ownership of the goods or products to the buyer.
- The enterprise no longer retains managerial involvement to the degree usually associated with ownership, nor effective control over the goods.
- Revenue can be measured relatively reliably. Where the contract provides the buyer with the right to return purchased products or goods under specific conditions, revenue is recognised only when such specific conditions no longer exist and the buyer no longer has the right to return the products or goods (except where the customer has the right to return goods in exchange for other goods or services).
- It is probable that the economic benefits associated with the sales transaction will flow to the enterprise.
- The costs related to the sales transaction can be measured reliably.

Revenue from rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be measured reliably. Where services are performed over more than one period, revenue recognised in the year is determined by reference to the stage of completion of the work at the end of the accounting period. The outcome of a service transaction can be measured reliably when all of the following conditions are satisfied:

- Revenue can be measured reliably. Where the contract provides the buyer with the right to return purchased services subject to specific conditions, revenue is recognised only when those specific conditions no longer exist and the buyer no longer has the right to return the services rendered.
- It is probable that the economic benefits associated with the service transaction will flow to the enterprise.
- The stage of completion at the end of the fiscal year can be measured reliably.
- The costs incurred for the transaction and the costs to complete the service transaction can be measured reliably.

Interest income

Interest income is recognised on an accrual basis, determined based on deposit account balances and actual interest rates for each period.

19. Accounting principles for deductions from revenue

Deductions from revenue include trade discounts, sales discounts and sales returns.

Trade discounts, sales discounts and sales returns arising in the same period as the sale of products, goods or services are deducted from revenue of the period in which they arise.

Where products, goods or services have been sold in prior periods and trade discounts, sales discounts or sales returns arise only in subsequent periods, the enterprise shall reduce revenue in accordance with the following principles:

- + If the reduction in price, trade discount or sales return relating to products, goods or services sold in prior periods arises before the issuance date of the financial statements, the accountant shall treat it as an adjusting event after the balance sheet date and reduce revenue in the financial statements of the reporting period, being the previous period.
- + If the reduction in price, trade discount or sales return arises after the issuance date of the financial statements, the enterprise shall reduce revenue in the period in which it arises, being the subsequent period.

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Notes to the Consolidated Financial Statements (continued)

20. Accounting principles for cost of sales

Cost of sales for the year is recognised consistently with revenue arising during the year and in compliance with the prudence principle.

For abnormal direct material costs, labour costs and fixed production overheads not allocated to the value of finished goods received into inventory, such amounts must be recognised immediately in cost of sales, after deduction of compensation, if any, even if the products or goods have not yet been determined as sold.

Provision for decline in value of inventories is included in cost of sales based on the quantity of inventories and the difference by which the net realisable value is lower than the cost of inventories. In determining the quantity of inventories subject to decline in value requiring provision, the accountant must exclude inventories already covered by sales contracts, where the net realisable value is not lower than the carrying amount, but not yet delivered to customers, if there is reliable evidence that customers will not cancel the contracts.

21. Accounting principles for finance expenses

This item reflects finance expenses including expenses or losses related to financial investment activities, borrowing and lending costs, costs of contributions to joint ventures and associates, losses on disposal of short-term securities, securities selling transaction costs, provision for diminution in value of trading securities, provision for impairment of investments in other entities, losses arising on sale of foreign currencies, foreign exchange losses, etc.

22. Accounting principles for selling expenses and general and administrative expenses

Selling expenses reflect actual expenses incurred in the process of selling products, goods and rendering services, including marketing expenses, product introduction expenses, product advertising expenses, sales commissions, warranty expenses for products and goods except for construction activities, storage, packaging and transportation costs, etc.

General and administrative expenses reflect general management expenses of the enterprise, including salaries and wages of management staff, allowances, social insurance, health insurance, trade union fees and unemployment insurance of management staff, office materials, working tools, depreciation of fixed assets used for general management, land rent, business licence tax, provision for doubtful receivables, purchased services such as electricity, water, telephone, fax, asset insurance, fire insurance, and other cash expenses such as guest entertainment and customer conferences.

23. Corporate income tax

Current income tax

Current income tax is the tax calculated 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 tax losses carried forward.

Deferred income tax

Deferred income tax is the corporate income tax payable or recoverable in future periods arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only when it is probable that future taxable profits will be available against which these deductible temporary differences can be utilised.

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Notes to the Consolidated Financial Statements (continued)

The carrying amount of deferred income tax assets is reviewed at the fiscal year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow part or all of the deferred tax asset to be utilised. Previously unrecognised deferred income tax assets are reviewed at the fiscal year end and recognised when it becomes probable that sufficient taxable profit will be available to utilise those deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are measured using the tax rates expected to apply in the period when the asset is realised or the liability is settled, based on tax rates enacted at the fiscal year end. Deferred income tax is recognised in the Statement of Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset when:

- The Company has a legally enforceable right to offset current tax assets against current tax liabilities.
- The deferred tax assets and deferred tax liabilities relate to corporate income tax levied by the same tax authority.

The Company intends either to settle current tax liabilities and current tax assets on a net basis, or to realise the asset and settle the liability simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

24. Financial instruments

a) Financial assets

Classification of financial assets

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

Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

- It is acquired or incurred principally for the purpose of selling it in the near term;
- The Company intends to hold it for short-term profit-taking;
- It is a derivative financial instrument, except for a derivative financial instrument that is designated and effective as a financial guarantee contract or a hedging instrument.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability 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..

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Notes to the Consolidated Financial Statements (continued)

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 carrying amount of financial assets

Financial assets are recognised on the purchase date and derecognised on the sale date. At initial recognition, a financial asset is measured at purchase price or issuance cost plus other costs directly attributable to the acquisition or issuance of the financial asset.

b) Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

- It is issued or incurred principally for the purpose of repurchasing it in the near term;
- The Company intends to hold it for short-term profit-taking;
- It is a derivative financial instrument, except for a derivative financial instrument that is designated and effective as a financial guarantee contract or a hedging instrument.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are determined based on the initial recognised amount of the financial liability less principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial recognised amount and the maturity amount, less any reduction, directly or through the use of an allowance account, for impairment or uncollectibility.

The effective interest method is a method of calculating the amortised cost of a financial liability or a group of financial liabilities and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period where appropriate, to the current net carrying amount of the financial liability.

Initial carrying amount of financial liabilities

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

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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Notes to the Consolidated Financial Statements (continued)**25. Segment reporting**

A business segment is a distinguishable component engaged in providing products or services and is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component engaged in providing 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.

26. Related parties

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

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

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

V. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	8,158,880,974	8,303,763,064
Demand deposits at banks	8,267,894,740	13,342,646,828
Cash equivalents	231,265,346,000	50,000,000,000
Total	<u>247,692,121,714</u>	<u>71,646,409,892</u>

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

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Book value</u>	<u>Original cost</u>	<u>Book value</u>
Term deposits	228,330,589,845	228,330,589,845	326,625,754,419	326,625,754,419
Total	<u>228,330,589,845</u>	<u>228,330,589,845</u>	<u>326,625,754,419</u>	<u>326,625,754,419</u>

(*) These are term savings deposits with maturities of more than 3 months and less than 1 year at the following banks:

+ Joint Stock Commercial Bank for Investment and Development of Vietnam – Hanoi Branch: VND 34,235,000,000.

+ Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch: VND 8,250,000,000.

+ Military Commercial Joint Stock Bank – Thang Long Branch – Le Trong Tan Transaction Office: VND 32,800,000,000.

+ KASIKORNBANK Public Company Limited – Ho Chi Minh City Branch: VND 10,000,000,000.

+ Vietnam Export Import Commercial Joint Stock Bank: VND 20,402,700,000.

+ Woori Bank Vietnam Limited: VND 39,000,000,000.

+ Vietnam Technological and Commercial Joint Stock Bank: VND 79,000,000,000.

+ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Hanoi Branch: VND 4,642,889,845.

These deposits are being used as collateral for borrowings from the above banks. (See Note V.20)

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Notes to the Consolidated Financial Statements (continued)**b) Long-term financial investments**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Ownership interest per ERC</u>	<u>Value</u>	<u>Ownership interest per ERC</u>	<u>Value</u>
<i>Investments in joint ventures and associates</i>		28,912,298,248		28,134,609,114
KLW Vietnam Garment Joint Stock Company (*)	48 %	28,912,298,248	48 %	28,134,609,114
<i>Held-to-maturity investments</i>		20,000,000,000		20,000,000,000
Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch (**)		20,000,000,000		20,000,000,000
Total		48,912,298,248		48,134,609,114

(*) Pursuant to Board of Directors' Resolution No. 08/HĐQT/NQ-NAG dated 02 August 2024, the Company made an additional capital contribution of VND 12,000,000,000, increasing the total owned capital in KLW Vietnam Garment Joint Stock Company to VND 24,000,000,000, representing 48% of its charter capital. This investment is adjusted for recognition under the equity method as follows:

	<u>Current year</u>	<u>Previous year</u>
Cost of investment	24,000,000,000	24,000,000,000
Ownership interest	48%	48%
Increase/(decrease) in value of investment under equity method accounting	4,912,298,248	4,134,609,114
Value of investment as at the fiscal year end	28,912,298,248	28,134,609,114

(**) This represents the purchase of bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch under Bond Ownership Certificate No. CTG2232T2/01-1269, with issue date of 20 July 2023 and maturity date of 20 July 2033. The number of bonds is 200,000 with a value of VND 20,000,000,000. These bonds are pledged as collateral for borrowings at Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch.

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<i>1,589,137,307</i>	-
KLW Vietnam Garment Joint Stock Company	1,589,137,307	-
<i>Receivables from other customers (*)</i>	<i>522,030,963,325</i>	<i>410,181,287,521</i>
Hai Phong Branch of Thang Long One Member Limited Liability Company under BCA	9,034,553,000	-
Hanoi City Civil Works Construction Investment Project Management Board	3,771,190,000	-
Anh Vu International Economic Development Company Limited	249,759,519,652	130,040,453,329
HC Toan Cau Refrigeration Electromechanical Company Limited	26,635,300,326	35,686,610,505
Cao Technical Consulting and Trading Company Limited	-	63,392,486,650
Ngoc Nguyen Chau Refrigeration Joint Stock Company	-	10,244,048,468
MK Vietnam Investment Joint Stock Company	22,717,392,635	10,085,625,708
Nam Sa Import Export Trading Joint Stock Company	24,832,850,802	6,035,809,002
Other customers	185,280,156,910	154,696,253,859
Total	<u>523,620,100,632</u>	<u>410,181,287,521</u>

(*) Including receivables from customers for which allowance has been made as presented in Appendix 01.

4. Short-term advances to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Advances to related parties</i>	<i>32,500,000,000</i>	-
Mr. Nguyen Duc Kha (1)	12,500,000,000	-
Ms. Nguyen Thi Huyen Thuong (2)	20,000,000,000	-
<i>Advances to other suppliers (*)</i>	<i>50,189,842,052</i>	<i>32,794,597,855</i>
UNICO CONSUMER PRODUCTS CO., LTD	-	12,896,043,546
HC Toan Cau Refrigeration Electromechanical Company Limited	-	6,528,221,900
PENSEUR INDUSTRIES SDN BHD (587108-T)	-	6,404,962,305
CJ Century Technology SDN. BHD	35,251,892,244	-
Other suppliers	14,937,949,808	6,965,370,104
Total	<u>82,689,842,052</u>	<u>32,794,597,855</u>

(*) Including advances for which allowance has been made as presented in Appendix 01.

(1) Represents a deposit for the purchase of land located at No. 92, Alley 274, Nguyen Lan Street, Phuong Liet Ward, Thanh Xuan District, Hanoi (now: No. 92, Alley 274, Nguyen Lan Street, Phuong Liet Ward, Hanoi), under Contract No. 01/HDCC/NAG-SK dated December 29, 2025.

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(2) Represents a deposit for the purchase of land located in Lien Phuong Commune, Tien Lu District, Hung Yen Province (now: Pho Hien Ward, Hung Yen Province), under Contract No. 02/HDDC/NAG-TC dated December 3, 2025.

5. Short-term loan receivables

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	<i>10,813,960,000</i>	<i>22,996,000,000</i>
KLW Vietnam Garment Joint Stock Company	10,813,960,000	22,996,000,000
<i>Receivables from other organisations and individuals</i>	<i>17,888,987,000</i>	<i>12,100,000,000</i>
Mr. Bui Van Tu	5,000,000,000	5,000,000,000
Mr. Nguyen Ngoc Phu	7,500,000,000	1,500,000,000
Other loan receivables	5,388,987,000	5,600,000,000
Total	28,702,947,000	35,096,000,000

6. Other receivables

a) Other short-term receivables

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<i>Receivables from related parties</i>	<i>1,627,423,381</i>	-	<i>643,546,302</i>	-
KLW Vietnam Garment Joint Stock Company – Loan interest	1,627,423,381	-	643,546,302	-
<i>Receivables from other organisations and individuals</i>	<i>12,301,830,107</i>	-	<i>12,416,183,839</i>	-
Advances	78,798,685	-	117,147,504	-
Deposits and escrow deposits	1,253,451,335	-	828,271,335	-
Accrued interest on bank savings deposits and loans	10,356,580,087	-	10,857,688,200	-
Other short-term receivables	613,000,000	-	613,076,800	-
Total	13,929,253,488	-	13,059,730,141	-

b) Other long-term receivables

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Deposits and escrow deposits	2,280,487,818	-	2,167,151,526	-
Total	2,280,487,818	-	2,167,151,526	-

7. Allowance for doubtful short-term receivables

Movements in the allowances during the year:

	Short-term receivables and loan receivables	Long-term receivables and loan receivables	Total
Beginning balance	(4,693,989,165)	-	(4,693,989,165)
Reversal of provision	728,137,859	-	728,137,859
Ending balance	(3,965,851,306)	-	(3,965,851,306)

Bad debts and allowance for doubtful short-term receivables are presented in Appendix 01.

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Notes to the Consolidated Financial Statements (continued)

8. Inventories

	Ending balance		Beginning balance	
	Value	Provision (*)	Value	Provision
Goods in transit	12,738,071,809	-	34,132,326,855	-
Raw materials	239,355,521,628	-	206,675,422,758	-
Tools and supplies	487,939,448	-	533,938,080	-
Work in progress	1,211,799,729	-	2,327,596,059	-
Finished goods	3,197,141,782	-	3,197,141,782	-
Merchandise	597,998,094,915	(3,173,445,078)	477,507,140,247	(4,212,790,937)
Goods sent for sale	18,975,581,066	-	18,975,581,066	-
Total	873,964,150,377	(3,173,445,078)	743,349,146,847	(4,212,790,937)

(*) Inventories for which provision was made during the year comprise slow-moving items held for a long period, outdated models that no longer match consumer preferences and are unlikely to be sold. The Company continues to liquidate these items, separate out components that can still be used, and make additional provision to accurately reflect the net realisable value of inventories.

Movements in the allowance for decline in value of inventories are as follows:

	Current year	Previous year
Beginning balance	(4,212,790,937)	(3,170,431,397)
Additional provision made	(877,764,987)	(1,249,588,214)
Reversal of provision	1,917,110,846	207,228,674
Ending balance	(3,173,445,078)	(4,212,790,937)

9. Prepaid expenses

a) Short-term prepaid expenses

	Ending balance	Beginning balance
Electrical and electronic testing expenses	417,023,129	324,029,980
Advertising signboards, product display shelves and partitions	581,666,517	2,259,593,333
Tools and supplies expenses	52,815,761	37,961,009
Insurance expenses	296,176,492	66,075,823
Product conformity certification	-	36,728,494
Software acquisition and renewal expenses	124,877,642	152,536,429
Other short-term prepaid expenses	225,890,976	231,443,717
Total	1,698,450,517	3,108,368,785

b) Long-term prepaid expenses

	Ending balance	Beginning balance
Tools and supplies	1,425,720,611	528,707,972
Prepaid land rental	691,457,731	713,065,783
Advertising signboard expenses	252,178,461	2,917,847,898
Renovation and repair expenses	6,405,000	19,215,000
Software acquisition expenses	42,119,760	65,888,649
Other long-term prepaid expenses	17,559,878	146,747,880
Total	2,435,441,441	4,391,473,182

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Notes to the Consolidated Financial Statements (continued)

10. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Means of transportation and transmission	Management equipment and tools	Other tangible fixed assets	Total
Original cost						
Beginning balance	108,766,281,270	36,692,632,797	23,739,063,117	9,027,813,725	872,454,963	179,098,245,872
Completed construction in progress	548,584,204	-	-	-	-	548,584,204
Disposals	-	-	(1,853,263,637)	-	-	(1,853,263,637)
Ending balance	109,314,865,474	36,692,632,797	21,885,799,480	9,027,813,725	872,454,963	177,793,566,439
<i>Of which:</i>						
Fully depreciated but still in use	11,562,778,622	28,752,666,444	10,501,990,017	456,123,780	803,353,985	52,076,912,848
Accumulated depreciation						
Beginning balance	40,721,201,775	30,098,970,746	17,557,571,282	1,945,824,796	834,153,713	91,157,722,312
Depreciation for the year	6,523,892,792	912,887,484	2,239,995,072	901,774,416	18,384,600	10,596,934,364
Disposals	-	-	(1,853,263,637)	-	-	(1,853,263,637)
Ending balance	47,245,094,567	31,011,858,230	17,944,302,717	2,847,599,212	852,538,313	99,901,393,039

Net book value

Beginning balance	68,045,079,495	6,593,662,051	6,181,491,835	7,081,988,929	38,301,250	87,940,523,560
Ending balance	62,069,770,907	5,680,774,567	3,941,496,763	6,180,214,513	19,916,650	77,892,173,400

+ Certain assets with original cost and net book value of VND 70,292,398,839 and VND 11,043,964,304, respectively, are mortgaged to the Joint Stock Commercial Bank for Investment and Development of Vietnam – Hanoi Branch, including the entire factory serving air-conditioner production.

+ Fixed assets comprising the Mercedes vehicle, licence plate No. 30F-840.98, and the Mercedes-Benz vehicle, licence plate No. 30F-798.91, with original cost and net book value of VND 3,305,978,182 and VND 0, respectively, and the Mercedes vehicle, licence plate No. 30G-381.66, with original cost and net book value of VND 3,799,952,727 and VND 318,365,229, respectively, are mortgaged to Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch as security for the credit facility of Nagakawa Group Joint Stock Company.

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Notes to the Consolidated Financial Statements (continued)**11. Intangible fixed assets**

	<u>Land use rights</u>	<u>Software programs</u>	<u>Total</u>
Original cost			
Beginning balance	4,614,795,919	4,072,212,600	8,687,008,519
Additions through acquisition	-	13,000,000,000	13,000,000,000
Ending balance	4,614,795,919	17,072,212,600	21,687,008,519
<i>Of which:</i>			
Fully amortised but still in use	-	1,353,212,600	1,353,212,600
Accumulated amortisation			
Beginning balance	-	2,190,869,572	2,190,869,572
Amortisation for the year	-	690,160,302	690,160,302
Ending balance	-	2,881,029,874	2,881,029,874
Net book value			
Beginning balance	4,614,795,919	1,881,343,028	6,496,138,947
Ending balance	4,614,795,919	14,191,182,726	18,805,978,645

The land use rights with original cost and net book value of VND 4,614,795,919 and VND 4,614,795,919, respectively, are mortgaged to Asia Commercial Joint Stock Bank – Da Nang Branch.

12. Investment Property

These comprise land use rights, including:

+ Land use rights for land plot No. 56, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term; located at Lot 05 A6-2 Nguyen Tat Thanh, Hai Chau Ward, Da Nang City, under the Certificate of Land Use Rights, Ownership of Residential House and Other Assets Attached to Land No. BY820588 issued by the Department of Natural Resources and Environment of Da Nang on June 2, 2015.

Transfer value: VND 24,000,000,000 under the land use rights transfer agreement between Nagakawa Group Joint Stock Company and Ms. Nguyen Thi Hoa Hong dated September 24, 2025 at Song Han Notary Office, address: 90 Hai Phong Street, Hai Chau Ward, Da Nang City.

+ Land use rights for land plot No. 57, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term; located at Lot 06 A6-2 Nguyen Tat Thanh, Hai Chau Ward, Da Nang City, under the Certificate of Land Use Rights, Ownership of Residential House and Other Assets Attached to Land No. BY820589 issued by the Department of Natural Resources and Environment of Da Nang on June 2, 2015.

Transfer value: VND 24,000,000,000 under the land use rights transfer agreement between Nagakawa Group Joint Stock Company and Ms. Nguyen Thi Hoa Hong dated September 24, 2025 at Song Han Notary Office, address: 90 Hai Phong Street, Hai Chau Ward, Da Nang City.

In accordance with Vietnamese Accounting Standard No. 05 – Investment Property, the fair value of investment properties as at December 31, 2025 is required to be disclosed. However, the Company has not yet determined the fair value of these properties as at December 31, 2025 due to the absence of a suitable independent valuer. Accordingly, the fair value of these investment properties has not been disclosed in the Notes to the Financial Statements.

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13. Construction in progress

	Beginning balance	Incurred during the year	Transferred to fixed assets during the year	Ending balance
Acquisition of fixed assets	153,780,000	3,049,111,234	-	3,202,891,234
Advertising film and brand identity expenses	153,780,000	-	-	153,780,000
ERP warranty management software	-	3,049,111,234	-	3,049,111,234
Construction in progress	80,000,000	128,584,204	(128,584,204)	80,000,000
Construction of chemical prevention and control measures	40,000,000	-	-	40,000,000
Warehouse	40,000,000	128,584,204	(128,584,204)	40,000,000
Total	193,780,000	3,049,111,234	(128,584,204)	3,242,891,234

14. Deferred income tax assets

Deferred income tax assets arising during the year relate to unrealised intra-group profits in inventories and unrealised gains on sale of tangible fixed assets, as detailed below:

	Current year	Previous year
Beginning balance	3,611,655,954	3,855,294,027
Arising during the year	5,296,794,419	3,596,389,598
Reversed during the year	(3,611,655,955)	(3,840,027,671)
Ending balance	5,296,794,418	3,611,655,954

15. Goodwill

Goodwill is amortised using the straight-line method over 10 years.

	Current year	Previous year
Beginning balance	19,906,013,498	23,178,234,895
Goodwill arising during the year	-	-
Amortisation of goodwill charged to expenses	(3,272,221,397)	(3,272,221,397)
Total	16,633,792,101	19,906,013,498

16. Short-term trade payables

	Ending balance	Beginning balance
Payables to other suppliers	173,760,596,932	182,004,186,374
Minh Long Electronics Equipment Manufacturing and Trading Company Limited	14,702,693,888	31,120,543,889
CJ Century Technology SDN. BHD	-	28,470,745,985
Cao Technical Consulting and Trading Company Limited	-	3,967,523,254
Hanoi Technical Business and Development Company Limited	-	2,796,035,977
TCL Air Conditioner (Zhongshan) Co., LTD.	-	5,027,619,168
Petrovietnam High Technology Products Distribution Joint Stock Company	30,404,410,000	44,094,105,001
MK Vietnam Investment Joint Stock Company	14,152,869,426	5,931,549,828
Tramexco Joint Stock Company	28,887,106,386	8,113,615,718
Other suppliers	85,613,517,232	52,482,447,554
Total	173,760,596,932	182,004,186,374

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Notes to the Consolidated Financial Statements (continued)**17. Advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Advances from related parties</i>	<i>773,315,787</i>	<i>3,471,566,449</i>
KLW Vietnam Garment Joint Stock Company	773,315,787	3,471,566,449
<i>Advances from other customers</i>	<i>31,244,951,043</i>	<i>11,306,839,174</i>
SH Vietnam Technical Construction Joint Stock Company	2,315,855,100	2,315,855,100
Hung Son Investment One Member Company Limited	-	2,512,248,637
Toan Thang Trading Services and Construction Company Limited	-	1,446,913,000
Hung Thinh Trading Development Company Limited	2,965,540,280	-
A2T Manufacturing and Trading Joint Stock Company	1,382,284,395	-
Cao Technical Consulting and Trading Company Limited	8,233,726,485	-
Hong Loi Nam Company Limited	7,656,813,156	-
Ngoc Nguyen Chau Refrigeration Joint Stock Company	3,078,800,078	-
Other customers	5,611,931,549	5,031,822,437
Total	<u>32,018,266,830</u>	<u>14,778,405,623</u>

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18. Taxes and other payables to the State

	Beginning balance		Amounts incurred during the year		Ending balance	
	Payable	Receivable	Amounts payable	Amounts paid	Payable	Receivable
VAT on domestic sales	11,159,310,635	645,453	10,547,367,231	(12,070,651,416)	9,635,380,997	-
VAT on imported goods	2,184,768,123	-	152,691,411,950	(154,796,905,086)	79,274,987	-
Special consumption tax	1,658,361,125	-	146,900,562,288	(147,358,118,284)	1,200,805,129	-
Import and export duties	-	-	3,807,012,550	(3,807,012,550)	-	-
Corporate income tax	7,255,300,391	39,362,949	12,298,813,723	(8,430,314,555)	11,084,436,610	-
Personal income tax	324,542,897	-	2,148,643,249	(2,192,076,246)	281,109,900	-
Land rental	-	1,714,842	610,197,312	(184,314,484)	424,167,986	-
Other taxes	367,057,497	-	269,955,845	(623,346,675)	13,666,667	-
Total	22,949,340,668	41,723,244	329,273,964,148	(329,462,739,296)	22,718,842,276	-

The Company's tax finalisation is subject to examination by the tax authorities. Due to the fact that the application of tax laws and regulations to many different types of transactions may be interpreted in various ways, the tax amounts presented in the financial statements may be changed according to the decision of the tax authorities.

Value added tax

The Company declares and pays value added tax under the credit method. The applicable VAT rates are as follows:

- Revenue from sale of finished goods and merchandise 10%
- Revenue from rendering of services 8%

Corporate income tax

Corporate income tax is calculated based on taxable income for the year at the applicable tax rate of 20%.

Other taxes

Other taxes are declared and paid by the Company in accordance with prevailing regulations.

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19. Short-term accrued expenses

	Ending balance	Beginning balance
Accrued interest expenses	2,545,718,695	2,412,592,042
Accrued sales discount expenses and promotional program expenses	343,063,154	2,598,732,194
Other short-term accrued expenses	16,606,950	177,390,598
Total	2,905,388,799	5,188,714,834

20. Other short-term payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	-	129,782,821
KLW Vietnam Garment Joint Stock Company – Interest payable	-	129,782,821
<i>Payables to other entities and individuals</i>	3,822,132,328	2,772,450,848
Trade union fees	1,072,091,010	787,155,182
Dividends and profits payable	874,464,050	1,875,577,268
Other short-term payables	1,875,577,268	109,718,398
Total	3,822,132,328	2,902,233,669

21. Short-term borrowings and finance lease liabilities

	Ending balance		Beginning balance	
	Value	Repayment capacity	Value	Repayment capacity
<i>Short-term borrowings and finance lease liabilities payable to other organisations and individuals</i>	1,496,505,392,889	1,496,505,392,889	1,137,306,992,519	1,137,306,992,519
Short-term bank borrowings				
Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch (1)	388,421,153,474	388,421,153,474	385,276,762,665	385,276,762,665
Military Commercial Joint Stock Bank – Dien Bien Phu Branch (2)	79,352,852,736	79,352,852,736	79,963,217,714	79,963,217,714
Joint Stock Commercial Bank for Investment and Development of Vietnam – Hanoi Branch (3)	377,488,368,093	377,488,368,093	306,424,549,728	306,424,549,728
Vietnam International Commercial Joint Stock Bank – Dong Da Branch	-	-	76,988,376,825	76,988,376,825
KASIKORNBANK Public Company Limited – Ho Chi Minh City Branch (4)	183,814,842,956	183,814,842,956	187,337,034,666	187,337,034,666
Vietnam Export Import Commercial Joint Stock Bank (5)	139,506,915,415	139,506,915,415	99,917,050,921	99,917,050,921
Vietnam Technological and Commercial Joint Stock Bank – Thai Thinh Branch (6)	249,996,194,334	249,996,194,334	-	-
Woori Bank Vietnam Limited (7)	77,925,065,881	77,925,065,881	-	-
Short-term borrowings from individuals				
Ms. Bui Le Hang	-	-	1,400,000,000	1,400,000,000
Total	1,496,505,392,889	1,496,505,392,889	1,137,306,992,519	1,137,306,992,519

(1) This is a borrowing from Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch under Credit Facility Agreement No. 1504/2025-HĐCVHM/NHCT320-HTGT dated 16 April 2025, with the aggregate outstanding loan balance and outstanding guarantees/L/Cs issued at any point in time not exceeding VND 400,000,000,000. The facility

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availability period is 12 months from the signing date of the agreement. The term of each drawdown does not exceed 07 months. The purpose of the borrowing is to supplement working capital for production and business activities. The lending interest rate is stipulated in each debt acknowledgment. The loan agreement is secured by:

+ Land Use Right Certificate No. V930401, recorded in the Land Use Right Certificate Register No. 01510/QSDĐ/449B/2003/QĐ-UB, issued by the People's Committee of Tien Lu District, Hung Yen Province on June 26, 2003 to Ms. Nguyen Thi Huyen Thuong and Mr. Nguyen Manh Cuong. Collateral Agreement No. 50/2018/HĐBĐ/NHCT320-NAG-HUNGYEN dated June 18, 2018.

+ Housing Ownership and Residential Land Use Rights Certificate No. 10111071095, Original File No. 6586 2003 2640.203.QĐUB, issued by the People's Committee of Hanoi City on 14 May 2002 to Ms. Dao Thi Soi and Mr. Nguyen Duc Kha under Security Agreement No. 02/2019/HĐBĐ/NHCT320-NAG dated 03 December 2019.

+ Housing Ownership and Residential Land Use Rights at No. 106, Alley 155/206, Truong Chinh Street, Phuong Liet Ward, Thanh Xuan District, Hanoi (now No. 86, Alley 274, Nguyen Lan Street, Phuong Liet Ward, Hanoi City) under Housing Ownership and Land Use Rights Certificate No. 10111071019, Original File No. 3015-2003-QĐUB/8623.2003, issued by the People's Committee of Hanoi City on 2 June 2003 to Mr. Luu Van That and Ms. La Thi Nga. On 21 November 2012, the Land Use Rights Registration Office of Thanh Xuan District, Hanoi City certified the transfer to Ms. Dao Thi Soi under Transfer Contract No. 10121293/HHĐCN dated 29 October 2012 at My Dinh Notary Office, Hanoi City, pursuant to Security Agreement No. 01/2020/HĐBĐ/NHCT320-NAG dated 02 November 2020.

+ Land use rights in respect of land plot No. 99, map sheet No. 16, located in Dai Kim Ward, Hoang Mai District, Hanoi City, under Land Use Rights Certificate No. AD537451, Certificate No. 01674-2144 QĐ-UB, issued by the People's Committee of Hoang Mai District, Hanoi City on 21 December 2005 to Mr. Do Quach Cuong. On 17 April 2015, the Land Use Rights Registration Office of Hoang Mai District certified the transfer to Mr. Nguyen Duc Kha and Ms. Dao Thi Soi under File No. 1181 dated 14 April 2015, pursuant to Security Agreement No. 02/2020/HĐBĐ/NHCT320-NAG dated 02 November 2020.

+ Land use rights, ownership of residential house and other assets attached to land under Certificate No. DE 216785, recorded in the Certificate Register No. CS 31027, issued by the Department of Natural Resources and Environment of Hanoi on June 11, 2022, owned by Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong, pursuant to Collateral Agreement No. 06/2022/HĐBĐ/NHCT320-CANHOR1 dated July 6, 2022.

+ Land use rights and assets attached to land located at No. 5, Alley 105, Xa Dan 2 Lane, Nam Dong Ward, Dong Da District, Hanoi, under Certificate of House Ownership and Land Use Rights No. 3835/2009/QĐ-08 issued by the People's Committee of Dong Da District on November 10, 2009; owners: Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong.

+ Land use rights and assets attached to land located at Dong Ly Village, Tan My Commune, Bac Giang City, Bac Giang Province, under Certificate of House Ownership and Land Use Rights No. DN 115300; recorded in Certificate Register No. 06712 Q26/T95, issued by the Bac Giang City Land Registration Office Branch to the owners: Mr. Hoang Van Tuyen and Ms. Bui Le Hang.

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+ Land use rights and assets attached to land located at the public works land area within Trung Nghia Residential Area, Hoa Minh Ward, Lien Chieu District, Da Nang, under Certificate of House Ownership and Land Use Rights No. BG 952425; recorded in Certificate Register No. CT 09311, certified for transfer by the People's Committee of Da Nang City to Nagakawa Da Nang Joint Stock Company.

+ Bonds issued by Vietnam Joint Stock Commercial Bank for Industry and Trade, bond code: CTG2232T2/01, with a total bond value of VND 20,000,000,000 under Bond Pledge Agreement No. 2007/2023/HĐBĐ/NHCT320-TP-NAGAKAWA dated 20 July 2023.

+ Shares of Nagakawa Group Joint Stock Company under Valuable Papers Pledge Agreement No. 02/2021/HĐBĐ/NHCT/320-NAG dated 25 February 2021.

+ Machinery and equipment owned by KLV Vietnam Garment Joint Stock Company under Movable Property Mortgage Agreement No. 2804/2021/HĐBĐ/NHCT320-MAYMOCKLV dated 28 April 2021.

+ Mercedes vehicle, licence plate No. 30G-381.66, owned by Nagakawa Group Joint Stock Company – Hanoi Branch under Asset Mortgage Agreement No. 0309/2020/HĐBĐ/NHCT320-NAGAKAWA dated 19 October 2020.

+ All revolving inventories owned by Nagakawa Group Joint Stock Company with a value of VND 60,000,000,000 under the minutes of valuation of secured assets dated 30 January 2018 and Inventory Mortgage Agreement No. 01/2018/HĐTC/NHCT320-NAG-HTK dated 06 February 2018. Pursuant to the Amendment and Supplement to Inventory Mortgage Agreement No. 01/2020/HĐBĐ/NHCT320-NAG-HTK dated 21 January 2020, the parties agreed that the value of the mortgaged assets is VND 101,508,541,889.

+ Term deposit contracts at Vietnam Joint Stock Commercial Bank for Industry and Trade with a total value of VND 141,820,546,000, which are pledged as collateral at the bank.

(2) This is a borrowing from Military Commercial Joint Stock Bank – Dien Bien Phu Branch under Credit Facility Agreement No. 257513.24.051.879737.TD dated 22 November 2024 with a credit facility limit of VND 130 billion: lending limit of VND 80 billion, guarantee limit excluding payment guarantees of VND 50 billion, and L/C issuance limit of VND 50 billion. The credit exposure limit is as follows: the aggregate limit of all facilities is VND 80 billion; the lending and payment guarantee limit for the business of importing components/equipment for assembly purposes is capped at VND 30 billion. The facility period is up to 21 October 2025 from the signing date of the agreement, and the term of each borrowing is stated in the debt acknowledgment but shall not exceed 6 months. The purpose of the borrowing is to supplement working capital for production and trading activities relating to refrigeration, household electrical appliances and kitchen equipment products of the customer. The lending interest rate, interest rate adjustment date and adjustment period are specified in the Bank's debt acknowledgment. The collateral includes:

+ Real estate under Land Use Rights Certificate No. AI 272273 issued by the People's Committee of Hoang Mai District on 18 September 2007 to Ms. Dao Thi Soi.

+ Term deposit contracts at Military Commercial Joint Stock Bank – Thang Long Branch – Le Trong Tan Transaction Office with a total value of VND 37,800,000,000, which are mortgaged to the bank.

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Notes to the Consolidated Financial Statements (continued)

(3) This is a borrowing from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Hanoi Branch under Credit Facility Agreement No. 01/2024/367653/HĐTD dated 31 October 2025, with the aggregate credit limit at any point in time not exceeding VND 400,000,000,000. This limit includes the entire outstanding short-term borrowings under Agreement No. 01/2024/367653/HĐTD dated 15 September 2024. The facility period is 12 months from the signing date of the agreement. The lending interest rate is specified in each debt note, and the overdue interest rate is equal to 150% of the in-term interest rate. Loan principal is repayable in full on the expiry date of each debt note. The loan agreement is secured by:

+ Real estate No. HD03-16, Vinhomes Riverside 2 Ecological Urban Area, Phuc Dong Ward, Long Bien District, Hanoi, under Certificate of Land Use Rights, Ownership of House and Other Assets Attached to Land No. CT274326, entered in Certificate Register No. CT-DA 00886, issued by the Hanoi Department of Natural Resources and Environment on 30 August 2019, owned by Anh Vu International Economic Development Company Limited, a contributing shareholder (under Mortgage Agreement No. 02/2019//367653/HĐBĐ dated 18 September 2019).

+ The entire factory premises on land plot No. 340, map sheet No. 26, Phuc Thang Ward, Phuc Yen, Vinh Phuc, owned by the Company under Real Estate Mortgage Agreement No. 03/2019/367653/HĐBĐ dated 18 November 2019.

+ Shares of Nagakawa Group Joint Stock Company owned by Mr. Nguyen Duc Kha under Pledge Agreement No. 02/2020/367653/HĐBĐ dated 30 June 2020.

+ Mortgage of the entire factory premises on land plot No. 288, map sheet No. 10, Vinh Khuc Commune, Van Giang District, Hung Yen Province, owned by Viet Phuc Hung Yen Joint Stock Company, under Mortgage Agreement for Assets Attached to Land No. 01/2021/367653/HĐBĐ dated 26 May 2021.

+ Term deposit contracts at the Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch with a total value of VND 20,000,000,000, which are mortgaged to the bank.

(4) This is a borrowing from KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch under Agreement No. 143/2023/FA.01 dated 27 December 2023 with a credit limit not exceeding VND 200,000,000,000. The credit facility is valid for 12 months from the effective date of the agreement. The term of each borrowing does not exceed 03 months. The purpose of the borrowing is to supplement working capital for the trading of air conditioners, air-conditioner components, kitchen appliances and household appliances. The loan agreement is secured by:

+ Term deposit contracts at KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch with a total value of VND 100,000,000,000, which are mortgaged to the bank.

(5) This is a borrowing from Vietnam Export Import Commercial Joint Stock Bank under Agreement No. 1703LAV250049401 dated 09 May 2025 and the Amendment and Supplement to the Credit Agreement signed on 16 June 2025, with a total credit limit of VND 200,000,000,000. The credit facility is valid until 09 October 2025 from the effective date of the agreement. The term of each borrowing does not exceed 06 months and is specified in each debt note. The purpose of the borrowing is to supplement short-term capital for the manufacture and trading of household electrical appliances, the manufacture of air conditioners and other products. The loan agreement is secured by:

+ Term deposit contracts at Vietnam Export Import Commercial Joint Stock Bank with a total value of VND 76,347,500,000, which are mortgaged to the bank.

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(6) This is a borrowing from Vietnam Technological and Commercial Joint Stock Bank under Credit Agreement No. MMD20253653942/HDCTD dated 06 October 2025 with the aggregate outstanding loan balance and outstanding guarantees/L/Cs issued at any point in time not exceeding VND 200,000,000,000. The facility availability period is 12 months from the signing date of the agreement. The term of each borrowing does not exceed 05 months. The purpose of the borrowing is to supplement working capital for production and business activities. The lending interest rate is stipulated in each debt acknowledgment. The loan agreement is secured by:

+ Land use rights to land plot No. 56, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; land use term: long-term, located at Lot 05 A6-2 Nguyen Tat Thanh, Hai Chau Ward, Da Nang City, under Certificate of Land Use Rights, Ownership of House and Other Assets Attached to Land No. BY820588 issued by the Department of Natural Resources and Environment of Da Nang City on 02 June 2015. Land use rights to land plot No. 57, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; land use term: long-term, located at Lot 06 A6-2 Nguyen Tat Thanh, Hai Chau Ward, Da Nang City, under Certificate of Land Use Rights, Ownership of House and Other Assets Attached to Land No. BY820589 issued by the Department of Natural Resources and Environment of Da Nang City on 02 June 2015. The value of the mortgaged assets is VND 30,007,000,000 under Mortgage Agreement No. MMD20253693246/HDTC dated 06 October 2025.

+ Term deposit contracts at Vietnam Technological and Commercial Joint Stock Bank with a total value of VND 79,000,000,000, which are mortgaged to the bank.

(7) This is a borrowing from Woori Bank Vietnam Limited - Vinh Phuc Branch under Credit Facility Agreement No. VN125009424/WBVN304 dated 05 September 2025 and Amendment Appendix No. 01-PLHĐCV-VN125009424-001/WBVN304, with the total outstanding loan balance not exceeding VND 78,000,000,000. The facility availability period is 12 months from the signing date of the agreement. The term of each borrowing does not exceed 05 months. The purpose of the borrowing is to supplement working capital for production and business activities. The lending interest rate is stipulated in each debt acknowledgment. The loan agreement is secured by:

+ The mortgaged assets are goods legally owned by Nagakawa Group Joint Stock Company with a mortgaged value of VND 40,950,000,000 under Mortgage Agreement No. VN00044371 signed on 05 September 2025.

+ Term deposit contracts at Woori Bank Vietnam Limited with a total value of VND 39,000,000,000, which are mortgaged to the bank.

Details of movements in short-term borrowings and finance lease liabilities during the year are as follows:

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	Beginning balance	Borrowings incurred during the year	Borrowings repaid during the year	Decrease due to offsetting against term deposits	Ending balance
Short-term bank borrowings	1,135,906,992,519	2,939,253,725,799	(2,892,317,537,831)	-	1,168,584,132,674
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (1)	385,276,762,665	953,943,870,618	(950,799,479,809)	-	388,421,153,474
Military Commercial Joint Stock Bank - Dien Bien Phu Branch (2)	79,963,217,714	158,955,974,943	(159,566,339,921)	-	79,352,852,736
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch (3)	306,424,549,728	833,217,705,515	(762,153,887,150)	-	377,488,368,093
Vietnam International Commercial Joint Stock Bank - Dong Da Branch	76,988,376,825	143,804,057,448	(206,533,386,460)	(14,259,047,813)	-
KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch (4)	187,337,034,666	559,837,843,368	(563,360,035,078)	-	183,814,842,956
Vietnam Export Import Commercial Joint Stock Bank (5)	99,917,050,921	289,494,273,907	(249,904,409,413)	-	139,506,915,415
Vietnam Technological and Commercial Joint Stock Bank - Thai Thinh Branch (6)	-	250,096,194,334	(100,000,000)	-	249,996,194,334
Woori Bank Vietnam Limited (7)	-	77,925,065,881	-	-	77,925,065,881
Short-term borrowings from individuals	1,400,000,000	2,800,000,000	(4,200,000,000)	-	-
Total	1,137,306,992,519	3,270,074,986,014	(2,896,617,537,831)	(14,259,047,813)	1,496,505,392,889

22. Short-term provisions

	Beginning balance	Increase due to provision made during the year	Utilised during the year	Reversed during the year	Ending balance
Provision for product and goods warranty	3,891,581,609	6,426,967,114	(74,141,232)	(5,810,795,954)	4,433,611,537
Total	3,891,581,609	6,426,967,114	(74,141,232)	(5,810,795,954)	4,433,611,537

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Notes to the Consolidated Financial Statements (continued)**23. Bonus and welfare fund**

	Beginning balance	Increase from appropriation of profits	Utilised during the year	Ending balance
Bonus fund	918,016,257	-	-	918,016,257
Welfare fund	385,826,364	-	-	385,826,364
Total	1,303,842,621	-	-	1,303,842,621

24. Deferred income tax liabilities

Deferred income tax liabilities arising during the year relate to provisions/reversal of impairment losses on investments, as detailed below:

	Current year	Previous year
Beginning balance	1,491,457,252	1,495,338,594
Arising during the year	56,623,914	-
Reversed during the year	-	(3,881,342)
Ending balance	1,548,081,166	1,491,457,252

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25. Equity

a) Reconciliation of movements in equity

	Contributed capital of owners	Share premium	Treasury shares	Development investment fund	Undistributed profit after tax	Non- controlling interests	Total
Beginning balance of Previous year	316,465,410,000	5,348,010,000	(20,000)	8,570,273,947	52,365,799,875	18,891,772,801	401,641,246,623
Capital increase in subsidiary	-	-	-	-	-	900,000,000	900,000,000
Increase from profits	25,312,280,000	-	-	-	(25,312,280,000)	-	-
Profit for Previous year	-	-	-	-	26,972,619,790	(28,442,045)	26,944,177,745
Appropriation to funds	-	-	-	1,257,507,429	(1,760,510,401)	-	(503,002,972)
Ending balance of Previous year	341,777,690,000	5,348,010,000	(20,000)	9,827,781,376	52,265,629,264	19,763,330,756	428,982,421,396
Beginning balance of Current year	341,777,690,000	5,348,010,000	(20,000)	9,827,781,376	52,265,629,264	19,763,330,756	428,982,421,396
Share dividend payment	28,601,660,000	-	-	-	(28,601,660,000)	-	-
Bonus share issuance to employees	15,823,000,000	(200,000,000)	-	-	-	-	15,623,000,000
Profit for Current year	-	-	-	-	32,405,907,045	474,658,237	32,880,565,282
Appropriation to funds	-	-	-	1,347,208,887	(1,347,208,887)	-	-
Ending balance of Current year	386,202,350,000	5,148,010,000	(20,000)	11,174,990,263	54,722,667,422	20,237,988,993	477,485,986,678

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Notes to the Consolidated Financial Statements (continued)**b) Distribution of profits**

The Company approved the 2024 profit distribution plan under Resolution No. 01/2025/NQ-ĐHĐCĐ-NAG of the 2025 Annual General Meeting of Shareholders dated 28 March 2025 as follows:

	VND
• Share dividend of 8% of charter capital	: 28,608,050,000
• Development investment fund of 5% of profit after tax	: 1,347,208,887

c) Details of contributed capital of owners

	Ending balance		Beginning balance	
	Value	Ownership interest	Value	Ownership interest
Mr. Nguyen Duc Kha	139,313,090,000	36.07%	128,993,610,000	37.74%
Treasury shares	20,000	0.00%	20,000	0.00%
Other shareholders	246,889,240,000	63.93%	212,784,060,000	62.26%
Total	386,202,350,000	100.00%	341,777,690,000	100.00%

d) Shares

	Ending balance	Beginning balance
Number of shares registered for issuance	38,620,235	34,177,769
Number of shares issued/sold to the public	38,620,235	34,177,769
- Ordinary shares	38,620,235	34,177,769
Number of treasury shares repurchased	(2)	(2)
- Ordinary shares	(2)	(2)
Number of shares outstanding	38,620,233	34,177,767
- Ordinary shares	38,620,233	34,177,767

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

26. Off-balance sheet items
a, Foreign currencies

	Ending balance	Beginning balance
United States Dollar (USD)	390,24	390,24

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Notes to the Consolidated Financial Statements (continued)**b, Written-off bad debts**

Counterparty	Ending balance	Beginning balance	Reason for write-off
Tien Phong Newspaper Editorial Office	47,723,000	47,723,000	Unrecoverable
Thuan An Company	525,607,000	525,607,000	Unrecoverable
Phu Tai Private Enterprise	283,250,000	283,250,000	Unrecoverable
Nhat Anh Store	125,087,382	125,087,382	Unrecoverable
Zhe Jiang Phidas Electric Appliance Manu Company	104,612,027	104,612,027	Unrecoverable
Trang An Technology Trading Joint Stock Company	30,000,000	30,000,000	Unrecoverable
Total	1,116,279,409	1,116,279,409	

VI. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED STATEMENT OF INCOME**1. Revenue from sale of goods and rendering of services****a, Gross revenue**

	Current year	Previous year
Gross revenue	3,328,951,061,321	2,744,023,280,166
Revenue from sale of goods and finished goods	3,289,280,300,552	2,734,208,597,769
Revenue from rendering of services	39,670,760,769	9,814,682,397
Deductions from revenue:	(30,012,694,937)	(20,768,667,379)
Trade discounts	(26,466,260,005)	(12,145,018,915)
Sales discounts	(1,159,091)	-
Sales returns	(3,545,275,841)	(8,623,648,464)
Net revenue	3,298,938,366,384	2,723,254,612,787
<i>Of which:</i>		
Net revenue from sale of goods and finished goods	3,259,267,605,615	2,713,439,930,390
Net revenue from rendering of services	39,670,760,769	9,814,682,397

b, Revenue from sale of goods and rendering of services to related parties

	Current year	Previous year
KLW Vietnam Garment Joint Stock Company	14,994,412,034	9,354,869,012

2. Cost of sales

	Current year	Previous year
Cost of goods sold	2,971,956,358,721	2,418,792,770,766
Cost of services rendered	33,472,379,935	6,165,369,707
Provision/(Reversal of provision) for decline in value of inventories	(1,039,345,859)	902,145,148
Total	3,004,389,392,797	2,425,860,285,621

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Notes to the Consolidated Financial Statements (continued)**3. Finance income**

	Current year	Previous year
Interest income from deposits, loans and bonds	18,109,824,176	20,920,818,929
Realised foreign exchange gains	654,767,214	3,937,835,370
Foreign exchange gains from revaluation of foreign currency monetary items	10,322	180,171,314
Late payment interest	3,480,525,082	-
Total	22,245,126,794	25,038,825,613

4. Finance expenses

	Current year	Previous year
Interest expenses	73,731,350,205	63,701,223,983
Settlement discounts granted to customers	14,284,337,229	10,376,408,648
Realised foreign exchange losses	7,862,832,563	3,418,595,627
Total	95,878,519,997	77,496,228,258

5. Selling expenses

	Current year	Previous year
Staff costs	35,642,662,956	31,563,501,680
Materials and packaging expenses	16,051,590	101,492,000
Tools and supplies expenses	381,096,056	982,629,909
Depreciation of fixed assets	3,179,486,002	3,260,720,486
Payments to warranty service stations	8,611,612,956	7,567,407,092
Provision for warranty	5,948,243,258	7,998,119,357
Reversal of provision for warranty	(5,324,716,731)	(5,860,336,746)
Advertising and customer conference expenses	-	34,515,950,372
Purchased services	72,409,610,373	77,597,287,037
Other expenses	9,925,316,490	11,892,348,245
Total	130,789,362,950	169,619,119,432

6. General and administrative expenses

	Current year	Previous year
Staff costs	26,062,754,108	23,380,974,344
Management materials expenses	226,480,466	207,467,158
Office supplies expenses	495,484,765	578,931,821
Depreciation of fixed assets	3,129,949,196	3,207,684,400
Taxes, fees and charges	90,325,844	26,713,544
Provision/(Reversal of provision) for doubtful receivables	(728,137,859)	4,167,512
Goodwill	3,272,221,397	3,272,221,397
Purchased services	6,056,651,822	6,593,789,368
Other expenses	4,835,397,285	5,164,593,291
Total	43,441,127,024	42,436,542,835

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Notes to the Consolidated Financial Statements (continued)**7. Other income**

	<u>Current year</u>	<u>Previous year</u>
Gain on disposal of fixed assets and investment property	96,380,471	136,363,636
Insurance compensation and penalties for breach of contract	86,579,480	-
Payables written off	-	3,549,355,695
Suppliers' support for market development	-	715,509,431
Other income	465,416,614	251,528,857
Total	648,376,565	4,652,757,619

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Tax penalties and tax arrears	2,122,807,021	1,917,320,938
Non-deductible expenses for tax purposes	2,436,965,793	183,758,916
Other expenses	518,840	292,851,360
Total	4,560,291,654	2,393,931,214

9. Current corporate income tax expense

Current corporate income tax expense for the year is estimated as follows:

	<u>Current year</u>	<u>Previous year</u>
Accounting profit before tax	43,550,864,455	35,369,906,840
Adjustments for increases and decreases in accounting profit to determine taxable income for corporate income tax purposes:		
- Increases		
<i>Automobiles costing over VND 1.6 billion</i>	16,161,960,048	5,486,985,340
<i>Tax penalties and tax arrears</i>	16,213,024,964	6,903,415,660
<i>Other non-deductible expenses</i>	375,392,173	384,321,816
<i>Remuneration of the Board of Directors and the Supervisory Board not directly involved in management</i>	2,122,807,021	1,922,230,211
<i>Losses arising from separate finalisation by subsidiaries</i>	2,442,320,751	206,350,274
<i>Interest expenses disallowed for tax purposes</i>	635,400,000	310,000,000
<i>Goodwill</i>	-	757,494,318
<i>Losses arising during the consolidation process</i>	-	50,797,644
<i>Decreases</i>	3,272,221,397	3,272,221,397
<i>Interest expenses disallowed for tax purposes in the Previous year</i>	7,364,883,622	-
<i>Gains arising during the consolidation process</i>	(51,064,916)	(1,416,430,320)
Taxable income	59,712,824,503	40,856,892,180
Tax losses carried forward from Previous years	-	(566,596,436)
Assessable income	59,712,824,503	40,290,295,744
Corporate income tax rate	20%	20%
Corporate income tax payable	11,942,564,901	8,058,059,148
Adjustment to corporate income tax payable of Previous years	356,248,822	127,913,216
Total current corporate income tax	12,298,813,723	8,185,972,364

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Notes to the Consolidated Financial Statements (continued)**10. Deferred corporate income tax expense**

	<u>Current year</u>	<u>Previous year</u>
Deferred corporate income tax expense arising from taxable temporary differences	(5,240,170,505)	(3,596,389,598)
Deferred corporate income tax expense arising from the reversal of deferred income tax assets	3,611,655,955	3,840,027,671
Deferred corporate income tax income arising from deductible temporary differences	-	(3,881,342)
Total	<u>(1,628,514,550)</u>	<u>239,756,731</u>

11. Basic/diluted earnings per share

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	32,405,907,045	26,972,619,790
Adjustments for increases and decreases in accounting profit to determine profit attributable to holders of ordinary shares:	-	-
- Appropriation to bonus and welfare fund	-	-
Profit for basic/diluted earnings per share	32,405,907,045	26,972,619,790
Weighted average number of ordinary shares outstanding during the year	37,545,138	37,037,933
Basic/diluted earnings per share	<u>863</u>	<u>728</u>

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

	<u>Current year</u>	<u>Previous year</u>
Ordinary shares outstanding at the beginning of the year	34,177,769	34,177,767
Effect of bonus share issuance to employees in 2025	507,203	-
Effect of additional ordinary shares issued from 2025 profits	2,860,166	2,860,166
Weighted average number of ordinary shares outstanding during the year	<u>37,545,138</u>	<u>37,037,933</u>

12. Expenses by nature

	<u>Current year</u>	<u>Previous year</u>
Raw materials, materials, tools and supplies expenses	12,972,824,797	1,000,597,793
Labour costs	61,952,730,760	66,196,485,597
Depreciation of fixed assets	11,287,094,666	11,848,781,365
Purchased services	90,839,173,482	149,918,544,139
Warranty expenses	9,235,139,483	15,932,180,326
Goodwill	3,272,221,397	3,272,221,397
Provision expenses	(728,137,859)	4,167,512
Other cash expenses	18,871,823,183	21,412,006,947
Total	<u>207,702,869,909</u>	<u>269,584,985,076</u>

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Notes to the Consolidated Financial Statements (continued)**VII. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS****1. Non-cash transactions**

During the year, the Company had the following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
Capitalised interest on deposits	1,474,820,973	-
Offsetting of borrowing interest and lending interest	129,782,821	-
Share dividend payment	28,601,660,000	25,312,280,000
Offsetting of deposits and loan principal	14,259,047,813	-
Offsetting of deposits and borrowing interest	140,952,187	-

VIII. OTHER INFORMATION**1. Transactions with related parties**

Related parties of the Company include key management personnel, persons related to key management personnel, and other related parties.

A, Transactions and balances with key management personnel and persons related to key management personnel

Key management personnel comprise members of the Management. Persons related to key management personnel are close family members of key management personnel.

Income of key management personnel is as follows:

	<u>Current year</u>	<u>Previous year</u>
Salaries and bonuses		
Mr. Nguyen Ngoc Quy	534,211,000	-
Ms. Nguyen Thi Huyen Thuong	981,871,583	712,618,950
Ms. Huy Thi Dung	601,608,250	538,846,175
Mr. Tran Ba Dat	401,185,865	521,378,568
Ms. Nguyen Thi Bich Thuy	701,696,583	580,605,007
Ms. Trinh Thi Phuong	319,378,142	436,214,556
Ms. Truong Dao Hai Ha	106,000,000	95,948,300
Mr. Pham Anh Tuan	547,171,000	95,948,300
Mr. Doan Duc Hoa	106,000,000	95,948,300
Ms. Nguyen Thi Thu Thao	88,000,000	38,600,000
Ms. Pham Thi Hue Anh	44,000,000	38,600,000
Ms. Vu Hai Yen	44,000,000	38,600,000
Total	4,475,122,424	3,193,308,156

B, Transactions with other related parties

Other related parties of the Company include:

<u>Related party</u>	<u>Relationship</u>
KLW Garment Joint Stock Company	Associate
Mr. Nguyen Duc Kha	Major shareholder
Mr. Nguyen Duc Kha	Major shareholder
Ms. Dao Thi Soi	Mother of the General Director

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Notes to the Consolidated Financial Statements (continued)

Related party	Relationship
Mr. Nguyen Manh Cuong	General Director Husband of the General Director
Ms. Nguyen Thi Huyen Thuong	General Director
Ms. Trinh Thi Phuong	Chief Accountant

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

	Current year	Previous year
<i>KLW Garment Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	16,343,019,927	10,286,301,962
Payables for purchases of goods and services	-	259,200,000
Collections from sale of goods and rendering of services	12,055,631,958	12,460,200,000
Offsetting of receivables and payables	-	259,200,000
Short-term loan receivables	34,810,000,000	46,296,000,000
Collections of short-term loans	46,992,040,000	23,300,000,000
Interest receivable on loans	1,113,659,900	643,546,302
Offsetting of borrowing and lending interest	129,782,821	-
Short-term loan payables	-	5,000,000,000
Repayment of short-term loans	-	11,002,000,000
Interest payable on loans	-	129,399,890
<i>Mr. Nguyen Duc Kha</i>		
Advance payment for transfer of real estate	12,500,000,000	-
<i>Ms. Nguyen Thi Huyen Thuong</i>		
Advance payment for transfer of real estate	20,000,000,000	-

Prices of goods and services supplied to related parties are market prices. Purchases of goods and services from related parties are made at market prices.

The receivable balances are unsecured and will be settled in cash. No provision for doubtful receivables has been made for receivables from related parties.

As at the fiscal year end, balances with related parties are presented in Notes V.3, V.4, V.5, V.6, V.17 and V.20.

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Notes to the Consolidated Financial Statements (continued)*Guarantee commitments*

In addition, other related parties of the Company are using their assets as collateral for the Company's borrowings from banks as follows: (See details in Note V.20)

Assets	Fair value	Owner
Land Use Right Certificate No. V930401, recorded in the Land Use Right Certificate Register No. 01510/QSĐĐ/449B/2003/QĐ-UB, issued by the People's Committee of Tien Lu District, Hung Yen Province on June 26, 2003. Collateral Agreement No. 50/2018/HĐBĐ/NHCT320-NAG-HUNGYEN dated June 18, 2018.	19,252,000,000	Ms. Nguyen Thi Huyen Thuong and Mr. Nguyen Manh Cuong
Housing Ownership and Residential Land Use Rights Certificate No. 10111071095, Original File No. 6586 2003 2640.203.QĐUB, issued by the People's Committee of Hanoi City on 14 May 2002 to Ms. Dao Thi Soi and Mr. Nguyen Duc Kha under Notarized Contract No. 02/2019/HĐBĐ/NHCT320-NAG dated 03 December 2019.	12,207,000,000	Ms. Dao Thi Soi and Mr. Nguyen Duc Kha
Land Use Rights Certificate No. AD537451, entered in the Land Use Rights Certificate Register under No. 01674-2144/QĐ-UB, issued by the People's Committee of Hoang Mai District on 21 December 2005, owners: Mr. Nguyen Duc Kha and Ms. Dao Thi Soi, address: Land plot No. 99, map sheet No. 16, Dai Kim Ward, Hoang Mai District, Hanoi City (388 Kim Giang), under Real Estate Mortgage Agreement No. 02/2020/HĐBĐ/NHCT320-NAG dated 02 November 2020.	25,650,000,000	Ms. Dao Thi Soi and Mr. Nguyen Duc Kha
Land Use Rights Certificate No. DE 216785, entered in the Certificate Register under No. CS 31027, issued by the Department of Natural Resources and Environment of Hanoi City on 11 June 2022 in the names of Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong, Apartment No. 329, Building R1 - 72A Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi City.	21,997,000,000	Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong
Land use rights and assets attached to land located at No. 5, Alley 105, Xa Dan 2 Lane, Nam Dong Ward, Dong Da District, Hanoi, under the Certificate of House Ownership and Land Use Rights No. 3835/2009/QĐ-08 issued by the People's Committee of Dong Da District on November 10, 2009; owners: Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong, pursuant to Collateral Agreement No. 01/2020/367653/HĐBĐ.	10,799,000,000	Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong
Land use rights and assets attached to land	6,984,000,000	Mr. Hoang Van Tuyen and Ms.

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Notes to the Consolidated Financial Statements (continued)

Assets	Fair value	Owner
located at Dong Ly Village, Tan My Commune, Bac Giang City, Bac Giang Province, under the Certificate of House Ownership and Land Use Rights No. DN 115300; recorded in Certificate Register No. 06712 Q26/T95, issued by the Bac Giang City Land Registration Office Branch to the owners: Mr. Hoang Van Tuyen and Ms. Bui Le Hang.		Bui Le Hang
Land use rights and assets attached to land located at the public works land area within Trung Nghia Residential Area, Hoa Minh Ward, Lien Chieu District, Da Nang, under the Certificate of House Ownership and Land Use Rights No. BG 952425; recorded in Certificate Register No. CT 09311, certified for transfer by the People's Committee of Da Nang City to Nagakawa Da Nang Joint Stock Company.	9,885,000,000	Nagakawa Da Nang Joint Stock Company
Real estate No. HD03-16, Vinhomes Riverside 2 Ecological Urban Area, Phuc Dong Ward, Long Bien District, Hanoi City, under Certificate of Land Use Rights, Ownership of House and Other Assets Attached to Land No. CT274326, entered in Certificate Register No. CT-DA 00886, issued by the Department of Natural Resources and Environment of Hanoi City on 30 August 2019, owned by Anh Vu International Economic Development Company Limited, a contributing shareholder, under Mortgage Agreement No. 02/2019//367653/HĐBĐ dated 18 September 2019.	72,494,000,000	Anh Vu International Economic Development Company Limited
Shares of Nagakawa Group Joint Stock Company owned by Mr. Nguyen Duc Kha under Pledge Agreement No. 02/2020/367653/HĐBĐ dated 30 June 2020.	43,059,000,000	Mr. Nguyen Duc Kha
Mortgage of the entire factory premises on land plot No. 288, map sheet No. 10, Vinh Khuc Commune, Van Giang District, Hung Yen Province, owned by Viet Phuc Hung Yen Joint Stock Company, under Mortgage Agreement for Assets Attached to Land No. 01/2021/367653/HĐBĐ dated 26 May 2021.	51,087,000,000	Viet Phuc Hung Yen Joint Stock Company
Machinery and equipment owned by KLW Vietnam Garment Joint Stock Company.	12,251,190,886	KLW Vietnam Garment Joint Stock Company

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Notes to the Consolidated Financial Statements (continued)

2. Segment information

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

Geographical areas

The Company's operations are mainly concentrated in the Northern region, the Central region and the Southern region.

Information on operating results, fixed assets and other long-term assets, and the value of major non-cash expenses by geographical area is based on the location of the Company's customers, as follows:

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Notes to the Consolidated Financial Statements (continued)

	Northern region	Central region	Southern region	Elimination entries	Total
Current year					
Net revenue from external sales and rendering of services	2,369,276,819,126	139,247,297,258	790,414,250,000	-	3,298,938,366,384
Net revenue from inter-segment sales and rendering of services	2,340,477,169,720	4,521,670,184	41,331,655,553	(2,386,330,495,457)	-
Total net revenue from sales and rendering of services	4,709,753,988,846	143,768,967,442	831,745,905,553	(2,386,330,495,457)	3,298,938,366,384
Segment expenses	(4,450,906,287,921)	(137,419,834,810)	(779,386,091,434)	2,363,322,821,368	(3,004,389,392,797)
Segment results	258,847,700,925	6,349,132,632	52,359,814,119	(23,007,674,089)	294,548,973,587
Unallocated expenses					(174,230,489,974)
Profit from operating activities					120,318,483,613
Finance income					22,245,126,794
Finance expenses					(95,878,519,997)
Share of profit or loss in joint ventures and associates					777,689,134
Other income					648,376,565
Other expenses					(4,560,291,654)
Current corporate income tax expense					(12,298,813,723)
Deferred corporate income tax expense					1,628,514,550
Profit after corporate income tax					32,880,565,282
Total expenses incurred for acquisition of fixed assets and other long-term assets	66,028,907,623	-	-	-	66,028,907,623
Total depreciation and amortisation of long-term prepaid expenses	14,249,117,382	196,514,732	230,056,932	-	14,675,689,046

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Notes to the Consolidated Financial Statements (continued)

Segment assets and liabilities by geographical area based on the location of the Company's customers are as follows:

	Northern region	Central region	Southern region	Elimination entries	Total
Ending balance					
Direct assets of the segment	2,645,670,445,233	39,449,153,982	175,167,415,494	(639,038,873,667)	2,221,248,141,042
Total assets					<u><u>2,221,248,141,042</u></u>
Direct liabilities of the segment	2,001,893,725,657	40,322,601,412	181,487,042,631	(479,941,215,337)	1,743,762,154,363
Total liabilities					<u><u>1,743,762,154,363</u></u>
Beginning balance					
Direct assets of the segment	2,267,041,322,917	26,796,392,764	116,401,448,150	(605,155,671,449)	1,805,083,492,382
Total assets					<u><u>1,805,083,492,382</u></u>
Direct liabilities of the segment	1,682,642,826,421	26,623,866,337	123,836,411,780	(457,002,033,552)	1,376,101,070,986
Total liabilities					<u><u>1,376,101,070,986</u></u>

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Notes to the Consolidated Financial Statements (continued)**3. Financial risk management**

The Company's activities give rise to the following financial risks: credit risk, liquidity risk and market risk. The Management is responsible for establishing policies and controls to minimise financial risks, as well as monitoring the implementation of the established policies and controls.

A, Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause financial loss to the Company.

The Company is exposed to credit risk primarily arising from trade receivables and bank deposits.

Trade receivables

The Company mitigates credit risk by dealing only with counterparties with sound financial capacity, requiring letters of credit or collateral for counterparties engaging in transactions for the first time or where there is insufficient information on their financial capacity. In addition, the receivables accounting staff regularly monitor receivables to expedite collections.

The Company's trade receivables relate to many entities and individuals; accordingly, credit risk concentration in respect of trade receivables is low.

Bank deposits

The Company's term deposits and demand deposits are maintained with domestic banks. The Management does not consider that there is any significant credit risk arising from these deposits.

B, Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of cash.

The Management has overall responsibility for liquidity risk management. The Company's liquidity risk mainly arises from mismatches in the maturities of financial assets and financial liabilities.

The Company manages liquidity risk by maintaining an appropriate level of cash and cash equivalents and borrowings at levels that the Management considers sufficient to meet the Company's operating requirements, thereby minimising the impact of fluctuations in cash flows. The maturity profile of financial liabilities based on contractual undiscounted cash flows is as follows:

	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
Ending balance				
Borrowings and lease liabilities	1,496,505,392,889	-	-	1,496,505,392,889
Trade payables	173,760,596,932	-	-	173,760,596,932
Other payables	15,907,131,649	-	-	15,907,131,649
Total	1,686,173,121,470	-	-	1,686,173,121,470
Beginning balance				
Borrowings and lease liabilities	1,137,306,992,519	-	-	1,137,306,992,519
Trade payables	182,004,186,374	-	-	182,004,186,374
Other payables	16,266,845,929	-	-	16,266,845,929
Total	1,335,578,024,822	-	-	1,335,578,024,822

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The Company considers the concentration of repayment risk to be low. The Company is able to settle its due liabilities from cash flows generated from operating activities and cash collected from maturing financial assets.

C, Market risk

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

The sensitivity analyses presented below are prepared on the basis that the value of net liabilities and the proportion of fixed interest rate liabilities to floating interest rate liabilities remain unchanged.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign 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 because of changes in market interest rates.

The Company's interest rate risk mainly relates to borrowings.

The Company manages interest rate risk by analysing market conditions in order to obtain the most favourable interest rates while remaining within its risk management limits.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from changes in interest rates and foreign exchange rates.

4. Fair value of financial assets and liabilities

	Book value		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Financial assets				
Cash and cash equivalents	247,692,121,714	71,646,409,892	247,692,121,714	71,646,409,892
Held-to-maturity investments	248,330,589,845	346,625,754,419	248,330,589,845	346,625,754,419
Trade receivables	522,303,686,621	408,145,350,851	522,303,686,621	408,145,350,851
Loans	28,702,947,000	35,096,000,000	28,702,947,000	35,096,000,000
Other receivables	16,209,741,306	15,226,881,667	16,209,741,306	15,226,881,667
Available-for-sale financial assets	28,912,298,248	28,134,609,114	28,912,298,248	28,134,609,114
Total	1,092,151,384,734	904,875,005,943	1,092,151,384,734	904,875,005,943
Financial liabilities				
Borrowings and lease liabilities	1,496,505,392,889	1,137,306,992,519	1,496,505,392,889	1,137,306,992,519
Trade payables	173,760,596,932	182,004,186,374	173,760,596,932	182,004,186,374
Other payables	15,907,131,649	16,266,845,929	15,907,131,649	16,266,845,929
Total	1,686,173,121,470	1,335,578,024,822	1,686,173,121,470	1,335,578,024,822

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The fair value of financial assets and financial liabilities is reflected at the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable, 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 carrying amounts due to the short-term maturities of these instruments.
- The fair value of receivables and loans bearing fixed or variable interest rates is assessed based on information such as interest rates, risks, repayment ability and the risk characteristics related to the debts. Based on this assessment, the Company estimates allowance for the portion that may not be recoverable.
- The fair value of available-for-sale financial assets listed on the stock market is the quoted market price at the fiscal year end. The fair value of unlisted available-for-sale financial assets is estimated using appropriate valuation methods.

5. Events after the fiscal year end

The Management of the Company confirms that there were no events occurring after 31 December 2025 up to the date of preparation of this Report that have not been considered for adjustment or disclosure in the consolidated financial statements.

6. Comparative information

Comparative figures are taken from the 2024 audited consolidated financial statements audited by Nhan Tam Viet Auditing Company Limited.

During the year, the Company paid dividends in shares; accordingly, basic and diluted earnings per share have been restated as follows:

	Code	Figures before adjustment	Adjustment s	Figures after adjustment
<i>Results of production and business activities</i>				
Basic earnings per share	70	773	(45)	728
Diluted earnings per share	71	773	(45)	728

Prepared on 31 March 2026

Prepared by

Chief Accountant

General Director

Pham Thi Cam Van

Trinh Thi Phuong

Nguyen Thi Huyen Thuong

Appendix 01: Details of bad debts and allowance for doubtful short-term receivables

	Ending balance		Beginning balance			
	Overdue period	Original cost	Provision	Overdue period	Original cost	Provision
Short-term trade receivables						
Nagakawa Electrical Appliances Joint Stock Company	Unrecoverable	1,316,414,011	1,316,414,011	Unrecoverable	2,035,936,670	2,035,936,670
		86,925,000	86,925,000		86,925,000	86,925,000
No. 4 Investment and Construction Joint Stock Company	Unrecoverable	355,675,942	355,675,942	Unrecoverable	355,675,942	355,675,942
Thien Duc Electrical Appliances Household Business	Recovered	-	-	Over 3 years	235,294,153	235,294,153
Tuong Hung Electrical Mechanical and Refrigeration Company Limited	Recovered	-	-	Over 3 years	444,688,013	444,688,013
Phu Hoang Thanh General Company Limited	Recovered	-	-	Over 3 years	39,540,493	39,540,493
GRB Vietnam Joint Stock Company	Over 3 years	104,483,270	104,483,270	Over 3 years	104,483,270	104,483,270
VINAINCON Investment Joint Stock Company	Over 3 years	195,550,000	195,550,000	Over 3 years	195,550,000	195,550,000
Minh Dung Technology and Trading Company Limited	Over 3 years	533,780,000	533,780,000	Over 3 years	533,780,000	533,780,000
Sunviet Company Limited	Over 3 years	39,999,799	39,999,799	Over 3 years	39,999,799	39,999,799
Advances to suppliers						
Nagakawa Electrical Appliances Joint Stock Company	Unrecoverable	2,649,437,295	2,649,437,295	Unrecoverable	2,666,667,695	2,658,052,495
		1,300,951,400	1,300,951,400		1,300,951,400	1,300,951,400
Viet Cultural Architecture Joint Stock Company	Unrecoverable	154,815,000	154,815,000	Unrecoverable	154,815,000	154,815,000
Bach Khoa Refrigeration Technology Joint Stock Company	Unrecoverable	506,373,900	506,373,900	Unrecoverable	506,373,900	506,373,900
Vitech Automation Equipment Joint Stock Company	Unrecoverable	56,700,000	56,700,000	Unrecoverable	56,700,000	56,700,000
Guangdong Sky Bright Group Co., Ltd.	Unrecoverable	156,765,699	156,765,699	Unrecoverable	156,765,699	156,765,699
Zhejiang Bingfeng Compressor Co., Ltd.	Unrecoverable	377,031,887	377,031,887	Unrecoverable	377,031,887	377,031,887
Kelon International Inc.	Unrecoverable	96,799,409	96,799,409	Unrecoverable	96,799,409	96,799,409

