

NAGAKAWA GROUP JOINT STOCK COMPANY
COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025, audited by
NHAN TAM VIET AUDITING COMPANY LIMITED



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REPORT OF THE MANAGEMENT

The Management of the Company presents its report together with the audited Combined Financial Statements for the fiscal year ended 31 December 2025.

THE COMPANY

Nagakawa Group Joint Stock Company was formerly Nagakawa Vietnam Joint Venture Company, established and operated under Investment License 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 under Decision No. 853/QD-UBND dated 21 March 2007 of the People's Committee of Vinh Phuc Province and 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 was granted 25 amended Business Registration Certificates in relation to changes in capital, the capital structure of the founding shareholders, addition of business lines and change of the Company's name. The 25th amended Business Registration Certificate No. 2500217389 was issued by the Business Registration Office of the Department of Finance of Phu Tho Province on 22 September 2025 in relation to 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

FINANCIAL POSITION AND BUSINESS PERFORMANCE

The combined financial position as at 31 December 2025, the combined results of operations and the combined cash flows for the fiscal year then ended of the Company are presented in the Combined Financial Statements attached to this report (from page 07 to page 60).

EVENTS OCCURRING AFTER THE END OF THE FISCAL YEAR

The Management of the Company confirms that there have been no events occurring after 31 December 2025 up to the date of preparation of these Combined Financial Statements that have not been considered for adjustment of figures or disclosure in the Combined 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:

<u>Full name</u>	<u>Position</u>
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:

<u>Full name</u>	<u>Position</u>
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 Board of Management during the year and up to the date of this report comprise:

<u>Full name</u>	<u>Position</u>
Ms. Nguyen Thi Huyen Thuong	General Director
Ms. Huy Thi Dung	Deputy General Director
Mr. Tran Ba Dat	Deputy General Director Relieved from duty on October 9, 2025
Ms. Nguyen Thi Bich Thuy	Deputy General Director
Ms. Trinh Thi Phuong	Chief Accountant

AUDITOR

Nhan Tam Viet Auditing Company Limited has audited the Combined Financial Statements for the fiscal year ended 31 December 2025.

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT FOR THE COMBINED FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the Combined Financial Statements that give a true and fair view of the financial position, the results of operations and the cash flows of the Company for the year. In preparing the Combined Financial Statements, the Management of the Company confirms that it has complied with the following requirements:

To establish and maintain internal control that the Management determines is necessary to ensure that the preparation and presentation of the Combined Financial Statements are free from material misstatement, whether due to fraud or error;

- To select appropriate accounting policies and apply them consistently;
- To make judgments and estimates that are reasonable and prudent;
- To state whether the applicable accounting standards have been complied with, and whether there are material departures that need to be disclosed and explained in the Combined Financial Statements;
- To prepare and present the Combined Financial Statements in compliance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of the Combined Financial Statements;
- To prepare the Combined Financial Statements on a going concern basis, unless it is inappropriate to assume that the Company will continue its business operations.

The Management of the Company assures that the 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 Combined Financial Statements comply with current regulations of the State. It is also responsible for safeguarding the assets of the Company and for taking appropriate measures to prevent and detect fraud and other irregularities, and for ensuring that the Combined Financial Statements present fairly the

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

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 Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of the Combined Financial Statements.

OTHER COMMITMENTS

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

Vinh Phuc, 31 March 2026
On behalf of the Management,
General Director



Nguyen Thi Huyen Thuong

No. : 2807.01.05/2025/BCTC-NTV2

INDEPENDENT AUDITOR'S REPORT
On the Combined 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 Combined Financial Statements of Nagakawa Group Joint Stock Company, prepared on 31 March 2026, from page 07 to page 60, which comprise the Combined Balance Sheet as at 31 December 2025, the Combined Income Statement, the Combined Statement of Cash Flows for the fiscal year then ended, and the Notes to the Combined Financial Statements.

Responsibility of the Management

The Management of Nagakawa Group Joint Stock Company is responsible for the preparation and fair presentation of the Company's Combined Financial Statements in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of the Combined Financial Statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation of the Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Combined 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 Combined Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Combined 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 Combined 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 accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the Combined 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 Combined Financial Statements present fairly, in all material respects, the combined financial position of Nagakawa Group Joint Stock Company as at 31 December 2025, and its combined results of operations and combined cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant legal regulations relating to the preparation and presentation of the Combined 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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

COMBINED BALANCE SHEET

As at 31 December 2025

Unit: VND

ASSET	Cod e	Explana tion	<u>Ending Balance</u>	<u>Beginning Balance</u>
A - SHORT-TERM ASSETS	100		1,920,136,052,344	1,535,787,523,269
I. Cash and cash equivalents	110	V.1	237,699,441,967	60,277,937,679
1. Cash	111		6,434,095,967	10,277,937,679
2. Cash equivalents	112		231,265,346,000	50,000,000,000
II. Short-term financial investment	120		217,452,700,000	314,875,185,547
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123	V.2a	217,452,700,000	314,875,185,547
III. Short-term receivables	130		791,204,425,790	580,398,812,608
1. Short-term trade receivables	131	V.3	688,346,207,745	515,404,540,460
2. Short-term vendor advance	132	V.4	82,010,222,794	32,512,000,329
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progr	134		-	-
5. Short-term loan receivable	135	V.5	10,813,960,000	22,996,000,000
6. Other short-term receivables	136	V.6a	13,126,073,488	12,586,925,256
7. Provision for doubtful short-term receivables	137	V.7	(3,092,038,237)	(3,100,653,437)
8. Assets missing pending resolution	139		-	-
IV. Inventory	140		672,013,274,990	577,997,189,249
1. Inventory	141	V.8	674,269,911,627	581,282,182,683
2. Provision for inventory write-down	149	V.8	(2,256,636,637)	(3,284,993,434)
V. Other short-term assets	150		1,766,209,597	2,238,398,186
1. Short-term prepaid expenses	151	V.9a	1,517,248,391	2,159,533,389
2. Deductible value added tax	152		248,961,206	78,864,797
3. Taxes and other amounts receivable from the State	153		-	-
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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Combined Balance Sheet (continued)

ASSET	Cod e	Explana tion	Ending Balance	Beginning Balance
B - LONG-TERM ASSETS	200		273,627,971,426	216,538,435,732
I. Long-term receivables	210		890,821,420	890,821,420
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	890,821,420	890,821,420
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		27,267,600,737	18,546,852,715
1. Tangible fixed assets	221	V.10	13,118,493,011	16,715,234,687
<i>Original price</i>	222		83,594,511,385	82,685,420,476
<i>Accumulated depreciation</i>	223		(70,476,018,374)	(65,970,185,789)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.11	14,149,107,726	1,831,618,028
<i>Original price</i>	228		16,995,712,600	3,995,712,600
<i>Accumulated depreciation</i>	229		(2,846,604,874)	(2,164,094,572)
III. Investment real estate	230	V.12	48,127,233,750	-
Original price	231		48,127,233,750	-
Accumulated depreciation	232		-	-
IV. Long-term unfinished assets	240		3,259,395,000	193,780,000
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242	V.13	3,259,395,000	193,780,000
V. Long-term financial investment	250		193,322,955,000	193,412,668,742
1. Investment in subsidiaries	251	V.2b	156,869,955,000	156,869,955,000
2. Investment in joint ventures and associates	252	V.2b	24,000,000,000	24,000,000,000
3. Investing in other entities	253		-	-
4. Long-term financial investment reserve	254	V.2b	(7,547,000,000)	(7,457,286,258)
5. Held to maturity investment	255	V.2b	20,000,000,000	20,000,000,000
VI. Other long-term assets	260		759,965,519	3,494,312,855
1. Long-term prepaid expenses	261	V.9b	759,965,519	3,494,312,855
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spa	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		2,193,764,023,770	1,752,325,959,001

NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Combined Balance Sheet (continued)

CAPITAL SOURCE	Cod e	Explan ation	<u>Ending Balance</u>	<u>Beginning Balance</u>
C - LIABILITIES PAYABLE	300		1,716,284,551,425	1,327,136,884,726
I. Short-term debt	310		1,716,284,551,425	1,327,136,884,726
1. Short-term trade payables	311	V.14	173,798,916,004	147,902,947,738
2. Short-term advance payment buyer	312	V.15	13,733,581,672	8,841,215,581
3. Taxes and other payments to the State	313	V.16	20,530,495,685	21,544,739,184
4. Payable to workers	314		1,855,499,134	1,821,652,013
5. Short-term payable expenses	315	V.17	2,545,718,695	4,997,482,640
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.18	2,351,670,338	1,582,048,209
10. Short-term loans and finance leases	320	V.19	1,496,505,392,889	1,135,906,992,519
11. Provision for short-term payables	321	V.20	3,758,619,955	3,335,149,789
12. Bonus and welfare fund	322	V.21	1,204,657,053	1,204,657,053
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
II. Long-term debt	330		-	-
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		-	-
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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Combined Balance Sheet (continued)

CAPITAL SOURCE	Code	Explanation	Ending Balance	Beginning Balance
D - OWNER'S EQUITY	400		477,479,472,345	425,189,074,275
I. Equity	410	V.22	477,479,472,345	425,189,074,275
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		10,897,270,675	9,550,061,788
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		75,231,861,670	68,513,332,487
- Undistributed profit after tax accumulated to the end of the period	421a		38,564,463,600	42,370,512,344
- Undistributed profit this period	421b		36,667,398,070	26,142,820,143
12. Source of capital for basic construction investment	422		-	-
II. Other funding sources and funds	430		-	-
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
TOTAL CAPITAL	440		2,193,764,023,770	1,752,325,959,001

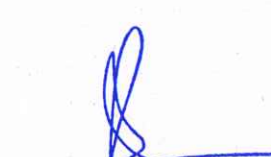
Prepared on 31 March 2026

Prepared by



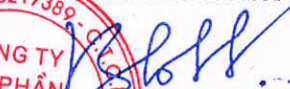
Pham Thi Cam Van

Chief Accountant



Trinh Thi Phuong

General Director

Nguyen Thi Huyen Thuong

NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

COMBINED INCOME STATEMENT

for the fiscal year ended 31 December 2025

Unit: VND

INDICATORS	Code	Explanation	This year		Last year	
1. Sales and service revenue	01	VI.1	3,305,510,172,162		2,655,867,040,646	
2. Revenue deductions	02		46,133,098,927		11,321,139,895	
3. Net revenue from sales and services	10		3,259,377,073,235		2,644,545,900,751	
4. Cost of goods sold	11	VI.2	3,059,747,345,830		2,455,837,677,582	
5. Gross profit from sales and service provision	20		199,629,727,405		188,708,223,169	
6. Financial revenue	21	VI.3	21,738,682,162		23,859,999,703	
7. Financial costs	22	VI.4	85,350,238,285		70,243,621,973	
Including: interest expense	23		73,731,350,205		63,310,719,995	
8. Selling expenses	25	VI.5	60,434,406,055		86,536,773,414	
9. Business management costs	26	VI.6	26,612,671,076		25,003,380,050	
10. Net operating profit	30		48,971,094,151		30,784,447,435	
11. Other income	31	VI.7	499,408,416		4,636,489,295	
12. Other costs	32	VI.8	2,706,845,549		2,105,907,155	
13. Other profits	40		(2,207,437,133)		2,530,582,140	
14. Total accounting profit before tax	50		46,763,657,018		33,315,029,575	
15. Current corporate income tax expense	51	VI.9	10,096,258,948		7,172,209,432	
16. Deferred corporate income tax expense	52		-		-	
17. Profit after corporate income tax	60		36,667,398,070		26,142,820,143	

Prepared on 31 March 2026

Prepared by

Chief Accountant

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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

COMBINED STATEMENT OF CASH FLOWS

(By indirect method)

for the fiscal year ended 31 December 2025

Unit: VND

INDICATORS	Code	Explan ation	This year	Last year
I. Cash flows from operating activities				
1. Profit before tax	01		46,763,657,018	33,315,029,575
2. Adjustments for:				
- Depreciation of fixed assets and investment properties	02		5,188,342,887	5,743,766,444
- Provisions	03		(523,788,089)	1,232,592,159
- 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		(16,900,364,567)	(19,878,356,655)
- Interest expenses	06		73,731,350,205	63,310,719,995
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		108,259,187,132	83,543,580,204
- Increase or decrease in receivables	09		(190,239,294,774)	(42,229,840,971)
- Increase or decrease in inventories	10		(92,987,728,944)	13,288,451,814
- Increase or decrease in payables	11		18,494,397,976	9,986,237,988
- Increase or decrease in prepaid expenses	12		3,376,632,334	5,162,625,333
- Increase or decrease in trading securities	13		-	-
- Interest paid	14		(73,327,488,544)	(63,808,913,853)
- Corporate income tax paid	15		(7,172,977,092)	(8,950,035,952)
- Other cash receipts from operating activities	16		-	-
- Other cash payments for operating activities	17		-	(104,344,908)
Net cash flows from operating activities	20		(233,597,271,912)	(3,112,240,345)
II. Cash flows from investing activities				
1. Cash payments for purchases and construction of fixed assets and other long-term assets	21		(91,317,848,750)	(697,960,000)
2. Cash receipts from disposal and sale of fixed assets and other long-term assets	22		-	150,000,000
3. Cash payments for lending and purchase of debt instruments of other entities	23		(220,167,476,198)	(272,608,115,745)
4. Cash receipts from collection of loans and resale of debt instruments of other entities	24		316,719,501,745	118,600,000,000
5. Cash payments for investments in other entities	25		-	(13,100,000,000)
6. Cash receipts from recovery of investments in other entities	26		-	-
7. Interest received, dividends and profits received	27		15,104,151,220	12,680,746,484
Net cash flows from investing activities	30		20,338,328,017	(154,975,329,261)

NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

for the fiscal year ended 31 December 2025

Combined Statement of Cash FLOws (continued)

INDICATORS	Code	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		3,268,774,986,014		2,598,658,927,092	
4. Cash payments for repayment of borrowings	34		(2,893,917,537,831)		(2,419,166,236,547)	
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		390,680,448,183		179,492,690,545	
Net cash flows during the year	50		177,421,504,288		21,405,120,939	
Cash and cash equivalents at beginning of year	60	V.1	60,277,937,679		38,872,816,740	
Effect of exchange rate changes on cash and cash equivalents	61		-		-	
Cash and cash equivalents at end of year	70	V.1	237,699,441,967		60,277,937,679	

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

I. CHARACTERISTICS OF THE COMPANY'S OPERATION

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

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

3. **Overview of the Company:**

Nagakawa Group Joint Stock Company was formerly Nagakawa Vietnam Joint Venture Company, established and operated under Investment License 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 under Decision No. 853/QD-UBND dated 21 March 2007 of the People's Committee of Vinh Phuc Province and 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 was granted 25 amended Business Registration Certificates in relation to changes in capital, the capital structure of the founding shareholders, addition of business lines and change of the Company's name. The 25th amended Business Registration Certificate No. 2500217389 was issued by the Business Registration Office of the Department of Finance of Phu Tho Province on 22 September 2025 in relation to 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 activities:**

The Company's principal business activities include:

- Manufacture of consumer electronics;
- 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 Company's normal production and business cycle does not exceed 12 months.

NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

As at the end of the fiscal year, the Company had 71 employees working for the Company (beginning of year: 71 employees).

7. Corporate structure:**Subsidiaries (*):**

<i>Company name</i>	<i>Head office address</i>	<i>Principal business activity</i>	<i>Actual ownership interest</i>	<i>Ownership interest under 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 business activity</i>	<i>Actual ownership interest</i>	<i>Ownership interest under 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)

NAGAKAWA GROUP JOINT STOCK COMPANY

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined 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 Combined Financial Statements

The Financial Statements have been prepared on the accrual basis of accounting (except for information relating to cash flows).

The dependent units have established separate accounting departments and account independently. The Combined Financial Statements of the whole Company are prepared on the basis of combining the Financial Statements of the dependent units. Revenue and balances between dependent units are eliminated when preparing the Combined Financial Statements.

2. Cash and cash equivalents

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

NAGAKAWA GROUP JOINT STOCK COMPANY

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

Cash equivalents are short-term investments with original maturities or terms to maturity of not more than 3 months from the date of purchase, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

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

The Company has transactions denominated in foreign currency: USD.

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

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

Exchange differences arising during the year from foreign currency transactions relating to monetary items denominated in foreign currencies and exchange differences arising from the revaluation of ending balances of monetary items denominated in foreign currencies, after offsetting exchange gains and exchange losses, are recognised in financial income or financial expenses.

The exchange rates used to translate foreign currency transactions are the actual rates at the transaction dates announced by the commercial bank where the Company enters into such transactions. The exchange rates used to revalue ending balances of monetary items denominated in foreign currencies are the buying rates of the commercial bank or the average buying rates of the commercial banks where the Company has opened accounts, as announced at the end of the fiscal year/accounting period.

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

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

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

4. 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 to maturity. Held-to-maturity investments include: term bank deposits (including treasury bills and promissory notes), bonds, redeemable preference shares that the issuer is required to repurchase at a specified future date, 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 original cost, including purchase price and costs directly attributable to the acquisition of the investments. After initial recognition, these investments are carried at recoverable amount. Interest income from held-to-maturity investments accrued after the acquisition date is recognised in the Income Statement on an

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NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

accrual basis. Interest receivable relating to the period before the Company obtains the investment is deducted from original 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 measured reliably, such loss is recognised in financial 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 an entity 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

An associate is an entity over which the Company has significant influence but does not have 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 original cost, including purchase price or contributed capital plus costs directly related to the investment. Where the investment is made in non-monetary assets, the cost of the investment is recognised at the fair value of the non-monetary assets at the date incurred.

Dividends and profits relating to periods before the acquisition date are deducted from the value of the investment itself. Dividends and profits relating to periods after the acquisition date are recognised as income. Stock dividends received are only monitored in terms of the additional number of shares and no value is recognised for the shares received/is recognised at par value.

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

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

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NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

5. Trade receivables and other receivables

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

The classification of receivables into trade receivables, internal receivables and other receivables is made based on the following principles:

- 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 entrusted export sales to other entities.
- Internal receivables reflect receivables from dependent units without legal entity status that maintain dependent accounting records.
- Other receivables reflect receivables that are non-commercial in nature and not related to purchase and sale transactions.

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

- For overdue receivables:
 - 30% of value for receivables overdue from 6 months to under 1 year.
 - 50% of value for receivables overdue from 1 year to under 2 years.
 - 70% of value for receivables overdue from 2 years to under 3 years.
 - 100% of value for receivables overdue for 3 years or more.
- For receivables not yet overdue but considered unlikely to be recoverable: provision is made based on the estimated level of loss.

6. Inventory accounting principles

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

Original cost of inventories is determined as follows:

- Raw materials and goods: include purchase cost and other directly attributable costs incurred in bringing the inventories to their present location and condition.
- Finished goods: include direct material costs, direct labour costs and related manufacturing overhead allocated based on normal operating capacity
- Work in progress: includes only main raw material costs, labour costs, depreciation of assets used for production activities and manufacturing overhead 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 to make the sale.

Inventory value is determined using the weighted average method and accounted for under the perpetual inventory method.

Provision for decline in inventory value is made for each inventory item whose original cost is higher than net realisable value. For unfinished service contracts, the provision for decline in value is determined for each type of service with a separate selling price. Increase or decrease in the balance of provision for decline in inventory value required to be made at the end of the fiscal year is recognised in cost of sales.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

7. Tangible fixed assets

Tangible fixed assets are stated at original cost less accumulated depreciation. The original cost of tangible fixed assets comprises all costs incurred by the Company to acquire the fixed assets up to the time the assets are in a condition ready for use. Expenditures incurred after initial recognition are only added to the original cost of tangible fixed assets if such expenditures are certain to increase future economic benefits from the use of those assets. Expenditures that do not satisfy the above condition are recognised as production and business expenses for the year.

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

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. The depreciation periods of tangible fixed assets are as follows:

<u>Type of fixed assets</u>	<u>Years</u>
Buildings and structures	10 - 25
Machinery and equipment	06 - 10
Means of transport and transmission	06 - 08
Management equipment and tools	03-05
Other fixed assets	05

8. Intangible fixed assets

Intangible fixed assets are stated at original cost less accumulated amortisation.

The original cost of intangible fixed assets comprises all costs incurred by the Company to acquire the fixed assets up to the time the assets are in a condition 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 costs are associated with a specific intangible fixed asset and increase the economic benefits arising from those assets.

When intangible fixed assets are sold or disposed of, their original cost and accumulated amortisation are written off and any gains or losses arising from the disposal are recognised in income or expenses for the year.

The Company's intangible fixed assets include:

Software

Costs relating to computer software not forming an integral part of the related hardware are capitalised. The original cost of computer software comprises all costs incurred by the Company up to the time the software is ready for use. Computer software is amortised on a straight-line basis over 5 years.

9. 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.

NAGAKAWA GROUP JOINT STOCK COMPANY

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

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.

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.

10. Accounting principles for prepaid expenses

Prepaid expenses reflect actual expenses already incurred but relating to the production and business results of many accounting periods, and the allocation of these expenses to production and business expenses of subsequent accounting periods.

Tools and supplies

Tools and supplies already put into use are allocated to expenses on a straight-line basis over a period not exceeding 03 years.

Other prepaid expenses

These are expenses serving many production and business periods and are allocated to the production and business period over a period not exceeding 03 years.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

11. Construction in progress

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

12. Payables and accrued expenses

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

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

- Trade payables reflect liabilities of a commercial nature arising from transactions for the purchase of goods, services and assets, where the sellers are independent entities from the Company, including payables arising from imports through entrusted importers.
- Accrued expenses reflect liabilities for goods and services received from sellers or provided to buyers but not yet paid due to the absence of invoices or incomplete accounting documents and records, and liabilities to employees for annual leave salaries and other production and business expenses to be accrued in advance.
- Internal payables reflect payables between the superior entity and dependent subordinate units without legal entity status that maintain dependent accounting records.

Other payables reflect liabilities that are non-commercial in nature and not related to transactions for the purchase, sale or supply of goods and services.

13. Provisions payable

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

If 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 risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance expense.

The Company's provisions payable include:

Provision for product and goods warranty

Provision for product and goods warranty costs is made for each type of product and goods subject to warranty commitments.

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

NAGAKAWA GROUP JOINT STOCK COMPANY

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

14. Accounting principles for borrowings and finance lease liabilities

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

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

Borrowings and debts denominated in foreign currencies are translated into the accounting currency at the actual exchange rates at the transaction dates;

- Upon repayment of foreign currency borrowings, the debit side of Account 341 is translated at the specific actual book rates for each counterparty;
- At the time of preparing the Financial Statements, outstanding balances of foreign currency borrowings and finance lease liabilities are revalued at the actual exchange rates at the reporting date.
- Exchange differences arising from settlement and period-end revaluation of foreign currency borrowings and finance lease liabilities are recognised in financial income or financial expenses.

Held-to-maturity investments are measured at the actual recoverable amount.

At the time of preparing the Financial Statements, all investments classified as monetary items denominated in foreign currencies are revalued at the actual exchange rates at the period end:

- The exchange rate applicable to foreign currency deposits is the buying rate of the Joint Stock Commercial Bank for Foreign Trade of Vietnam where the enterprise maintains its deposit accounts;
- The exchange rate applicable to other held-to-maturity investments is the buying rate of the bank where the enterprise regularly enters into transactions (as selected by the enterprise).

15. Accounting principles for owners' equity

Owners' contributed capital

Owners' contributed capital 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, additional issuance, the excess of the re-issuance price over the carrying amount of treasury shares, and the equity component of convertible bonds at maturity. Direct costs related to additional share issuance and re-issuance of treasury shares are deducted from share premium.

NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

Other owners' equity

Other owners' equity is formed from supplementation from business results, revaluation of assets, and the residual value being the difference between the fair value of donated, gifted or sponsored assets and related taxes payable (if any) on such assets.

Treasury shares

When repurchasing shares issued by the Company, the amount paid, including transaction-related costs, is recognised as treasury shares and presented as a deduction from owners' equity. Upon re-issuance, the difference between the re-issuance price and the book value of treasury shares is recognised in "Share premium".

16. Profit distribution

Profit after corporate income tax is distributed to shareholders after appropriations to funds in accordance with the Resolution of the General Meeting of Shareholders of the Company as well as regulations of law.

The distribution of profits to shareholders is considered in relation to non-monetary items included in undistributed profit after tax that may affect cash flows and dividend payment capacity, such as gains from revaluation of assets contributed as capital, gains from revaluation of monetary items, financial instruments and other non-monetary 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 of the 2025 Annual General Meeting of Shareholders No. 01/2025/NQ-DHDCD-NAG dated 28 March 2025. Accordingly, dividends distributed to shareholders amounted to VND 28,608,050,000 in shares.

17. Revenue and income recognition

Revenue from sale of goods and finished goods

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

- The enterprise has transferred most of the risks and rewards associated with ownership of the products or goods to the buyer.
- The enterprise no longer retains the right to manage the goods as owner of the goods or the right to control 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).
- The enterprise has received or will receive economic benefits from the sales transaction.
- Costs relating to the sales transaction can be determined.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

Revenue from rendering of services

Revenue from rendering of services is recognised when the outcome of such transaction can be determined reliably. Where services are rendered over many periods, revenue recognised in the year is determined based on the completed portion of work at the end of the accounting period. The outcome of a service transaction is determined when all of the following conditions are satisfied:

- Revenue can be measured relatively reliably. Where the contract provides the buyer with the right to return purchased services 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 services rendered.
- It is probable that economic benefits will flow from the service transaction.
- The completed portion of work at the end of the fiscal year can be determined.
- Costs incurred for the transaction and costs to complete the service transaction can be determined.

Interest income

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

18. Accounting principles for revenue deductions

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

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

Where products, goods or services have been consumed in previous periods but trade discounts, sales discounts or sales returns arise only in a subsequent period, the enterprise records a reduction in revenue in accordance with the following principles:

- + If products, goods or services consumed in previous periods are subject in a subsequent period to a sales discount, trade discount or sales return, but such event 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 (the previous period).
- + Where products, goods or services are subject to a sales discount, trade discount or sales return after the issuance date of the Financial Statements, the enterprise records a reduction in revenue of the period in which it arises (the subsequent period).

19. Accounting principles for cost of sales

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

For abnormal direct material consumption costs, labour costs and fixed manufacturing overhead not allocated to inventory value, the accountant shall recognise them immediately in cost of sales (after deducting any compensation received, if any) even if the products or goods have not yet been determined as sold.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

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

20. Accounting principles for finance expenses

Finance expenses reflect costs of financial activities, 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 decline in value of trading securities, provision for impairment of investments in other entities, losses arising from sale of foreign currencies, foreign exchange losses, etc.

21. 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 expenses for sales promotion, product introduction, product advertising, sales commissions, product and goods warranty expenses (except for construction activities), storage, packaging, transportation, etc.

General and administrative expenses reflect general management expenses of the enterprise, including salary expenses of management staff (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance for management staff; office materials expenses, labour tools, depreciation of fixed assets used for enterprise management; land rent, license tax; provision for doubtful receivables; purchased services (electricity, water, telephone, fax, asset insurance, fire insurance, etc.); and other cash expenses (entertainment, customer conferences, etc.).

22. Corporate income tax

Current income tax

Current income tax is the tax calculated based on taxable income. Taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, non-taxable income and tax losses carried forward.

23. 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 of these financial assets depends on the nature and purpose of the financial assets and is determined at initial recognition.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is held for trading or is 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 has the intention of holding it for short-term profit-taking;
- It is a derivative financial instrument (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

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Held-to-maturity investments

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

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, financial assets are measured at purchase price/issuance cost plus other directly attributable transaction costs related to the acquisition or issuance of such financial assets.

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 of financial liabilities depends on the nature and purpose of the financial liabilities and is determined at initial recognition.

Financial liabilities at fair value through profit or loss

A financial liability is classified as at fair value through profit or loss if it is held for trading or is 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 has the intention of holding it for short-term profit-taking;
- It is a derivative financial instrument (except for derivative financial instruments designated as a financial guarantee contract or an effective 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 cumulative amortisation using the effective interest method of any difference between the initial recognised amount and the maturity amount, less any reductions (directly or through the use of an allowance account) due to 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 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, where appropriate, a shorter period to the net carrying amount of the financial liability.

Initial carrying amount of financial liabilities

At initial recognition, financial liabilities are determined at the issue 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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A business segment is a separately identifiable component engaged in the production or supply of products or services and subject to risks and economic benefits that are different from those of other business segments.

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

Segment reporting is presented in the Company's 6-month interim consolidated financial statements for the fiscal year ending 31 December 2025.

25. 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 related if they are under common control or common significant influence.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

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

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash	1,384,746,942	2,716,631,712
Non-term bank deposits	5,049,349,025	7,561,305,967
Cash equivalents	231,265,346,000	50,000,000,000
Total	<u>237,699,441,967</u>	<u>60,277,937,679</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 (*)	217,452,700,000	217,452,700,000	314,875,185,547	314,875,185,547
Total	<u>217,452,700,000</u>	<u>217,452,700,000</u>	<u>314,875,185,547</u>	<u>314,875,185,547</u>

(*) These are term deposits with maturities of over 3 months to under 1 year at the following banks:

+ Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch: VND 28,000,000,000.

+ 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.

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

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

These term deposits are being used as collateral for borrowings from the above banks. (See Note V.19)

b) Long-term financial investments

	Ending balance			Beginning balance		
	Original Cost	Provision	Fair value	Original Cost	Provision	Fair value
Investments in subsidiaries	156,869,955,000	(7,547,000,000)	149,322,955,000	156,869,955,000	(7,457,286,258)	149,412,668,742
Nagakawa Technical Investment and Development Joint Stock Company (1)	9,600,000,000	-	9,600,000,000	9,600,000,000	-	9,600,000,000
Nagakawa Da Nang Joint Stock Company (2)	2,600,000,000	(2,600,000,000)	-	2,600,000,000	(2,510,286,258)	89,713,742
Nagakawa Ho Chi Minh City Joint Stock Company (3)	4,947,000,000	(4,947,000,000)	-	4,947,000,000	(4,947,000,000)	-
Nagakawa Electronics Joint Stock Company (4)	10,200,000,000	-	10,200,000,000	10,200,000,000	-	10,200,000,000
Viet Phuc Hung Yen Joint Stock Company (5)	128,422,955,000	-	128,422,955,000	128,422,955,000	-	128,422,955,000
Nagakawa High Technology Joint Stock Company (6)	1,100,000,000	-	1,100,000,000	1,100,000,000	-	1,100,000,000
Investments in joint ventures and associates	24,000,000,000	-	24,000,000,000	24,000,000,000	-	24,000,000,000
KLW Vietnam Garment Joint Stock Company (7)	24,000,000,000	-	24,000,000,000	24,000,000,000	-	24,000,000,000
Held-to-maturity investments	20,000,000,000	-	20,000,000,000	20,000,000,000	-	20,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (8)	20,000,000,000	-	20,000,000,000	20,000,000,000	-	20,000,000,000
Total	200,869,955,000	(7,547,000,000)	193,322,955,000	200,869,955,000	(7,457,286,258)	193,412,668,742

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(1) This represents a capital contribution investment in Nagakawa Technical Investment and Development Joint Stock Company under the 3rd amended Enterprise Registration Certificate No. 2500386108 dated 24 May 2018, with charter capital of VND 12,000,000,000. Up to now, the Company has contributed VND 9,600,000,000, equivalent to 80% of charter capital.

(2) This represents a capital contribution investment in Nagakawa Da Nang Joint Stock Company under the 1st Enterprise Registration Certificate No. 0401789381 dated 16 May 2018, with charter capital of VND 5,000,000,000. Up to now, the Company has contributed VND 2,600,000,000, equivalent to 52% of charter capital.

(3) This represents a capital contribution investment in Nagakawa Ho Chi Minh City Joint Stock Company under the 4th Enterprise Registration Certificate No. 0314005672, with charter capital of VND 9,700,000,000. Up to now, the entity has contributed VND 4,947,000,000, equivalent to 51% of charter capital.

(4) This represents a capital contribution investment in Nagakawa Electronics Joint Stock Company under the 2nd Enterprise Registration Certificate No. 0107952812, with charter capital of VND 20,000,000,000. Up to now, the Company has contributed VND 10,200,000,000, equivalent to 51% of charter capital.

(5) This represents an investment in Viet Phuc Hung Yen Joint Stock Company under the following share purchase agreements:

+ Under the share transfer agreement dated 10 November 2020 between Nagakawa Group Joint Stock Company and Viet Phuc Production and Import-Export Joint Stock Company regarding the transfer of 600,000 shares with par value of VND 10,000/share, equivalent to 23.077% of charter capital of Viet Phuc Hung Yen Joint Stock Company, at a transfer price of VND 13,500,045,000.

+ Under the share transfer agreement dated 10 November 2020 between Nagakawa Group Joint Stock Company and Ms. Nguyen Thi Lan Huong regarding the transfer of 1,920,000 shares with par value of VND 10,000/share, equivalent to 73.846% of charter capital of Viet Phuc Hung Yen Joint Stock Company, at a transfer price of VND 43,199,910,000.

+ Under Board of Directors' Resolution No. 27/2022/NQ-HDQT-NAG dated 29 August 2022 approving the additional capital contribution by Nagakawa Group Joint Stock Company in proportion to its existing ownership interest in Viet Phuc Hung Yen Joint Stock Company when that company increased its charter capital from VND 26,000,000,000 to VND 100,000,000,000. Accordingly, Nagakawa Group Joint Stock Company additionally contributed VND 71,723,000,000, equivalent to 717,230 shares, increasing the total number of shares to 969,230 shares with par value of VND 100,000/share.

Under the 3rd Enterprise Registration Certificate No. 0900251422, with charter capital of VND 100,000,000,000, up to now the Company has acquired 969,230 shares, equivalent to VND 96,923,000,000 of charter capital, representing 96.92% of charter capital.

(6) This represents a capital contribution investment in Nagakawa High Technology Joint Stock Company under the 1st Enterprise Registration Certificate No. 0110532695, with charter capital of VND 2,000,000,000. Up to now, the Company has contributed VND 1,100,000,000, equivalent to 55% of charter capital.

(7) This represents a capital contribution investment in KLW Vietnam Garment Joint Stock Company, with an ownership interest under the Enterprise Registration Certificate of 48%, equivalent to 1,200,000 shares with a share value of VND 12,000,000,000. Under Board of Directors' Resolution No. 08/HDQT/NQ-NAG dated 02 August 2024, the Company additionally contributed VND 12,000,000,000, increasing the total capital contribution owned by the

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Company in KLV Vietnam Garment Joint Stock Company to VND 24,000,000,000, representing 48% of charter capital.

(8) This represents the purchase of bonds issued by 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 being pledged as collateral for a borrowing at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch.

Details of movements in provision for investments are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	(7,457,286,258)	(7,476,692,969)
Additional provision made	(89,713,742)	-
Reversal of provision	-	19,406,711
Ending balance	<u>(7,547,000,000)</u>	<u>(7,457,286,258)</u>

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	348,152,919,411	298,396,430,928
Nagakawa Electronics Joint Stock Company	87,001,294,965	83,836,951,270
KLV Vietnam Garment Joint Stock Company	1,589,137,307	-
Nagakawa Da Nang Joint Stock Company	39,827,719,541	24,025,983,543
Nagakawa Ho Chi Minh City Joint Stock Company	169,410,922,479	118,181,137,332
Nagakawa High Technology Joint Stock Company	56,494,800	91,093,200
Viet Phuc Hung Yen Joint Stock Company	145,672,238	71,908,000,583
Nagakawa Technical Investment and Development Joint Stock Company	50,121,678,081	353,265,000
<i>Receivables from other customers (*)</i>	340,193,288,334	217,008,109,532
Hai Phong Branch of BCA - Thang Long One Member Limited Liability Company	9,034,553,000	8,827,553,000
Hanoi City Civil Works Construction Investment Project Management Board	3,771,190,000	4,682,093,000
Anh Vu International Economic Development Company Limited	249,759,519,652	130,040,453,329
MK Vietnam Investment Joint Stock Company	11,697,248,977	10,085,625,708
Other customers	65,930,776,705	63,372,384,495
Total	<u>688,346,207,745</u>	<u>515,404,540,460</u>

(*) Of which, trade receivables for which provision has been made are presented in Appendix 01.

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Notes to the Combined Financial Statements (continued)**4. Short-term advances to suppliers**

	Ending balance	Beginning balance
<i>Advances to related parties</i>	32,500,000,000	1,793,474,000
Nagakawa Technical Investment and Development Joint Stock Company	-	1,793,474,000
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>	49,510,222,794	30,718,526,329
CJ Century Technology SDN.BHD	35,251,892,244	-
Other suppliers	14,258,330,550	30,718,526,329
Total	<u>82,010,222,794</u>	<u>32,512,000,329</u>

(1) Represents a deposit for the acquisition 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/HDDC/NAG-SK dated December 29, 2025.

(2) Represents a deposit for the acquisition 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 loans receivable

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	10,813,960,000	22,996,000,000
KLW Vietnam Garment Joint Stock Company	10,813,960,000	22,996,000,000
Total	<u>10,813,960,000</u>	<u>22,996,000,000</u>

6. Other receivables**a) Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<i>Receivables from related parties</i>	1,627,423,381	-	1,062,208,221	-
KLW Vietnam Garment Joint Stock Company – Loan interest receivable	1,627,423,381	-	643,546,302	-
Viet Phuc Hung Yen Joint Stock Company – Loan interest receivable	-	-	418,661,919	-
<i>Receivables from other organizations and individuals</i>	11,498,650,107	-	11,524,717,035	-
Advances	26,798,685	-	93,504,179	-
Deposits	1,115,271,335	-	828,271,335	-
Interest receivable on term bank deposits	10,356,580,087	-	7,413,165,721	-
Interest receivable on loans to individuals	-	-	3,189,699,000	-
Other short-term receivables	-	-	76,800	-
Total	<u>13,126,073,488</u>	<u>-</u>	<u>12,586,925,256</u>	<u>-</u>

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Notes to the Combined Financial Statements (continued)

b) Other long-term receivables

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Deposits	890,821,420	-	890,821,420	-
Total	890,821,420	-	890,821,420	-

7. Provision for doubtful short-term receivables

Details of movements in provisions during the year are as follows:

	Short-term receivables and loans	Long-term receivables and loans	Total
Beginning balance	(3,100,653,437)	-	(3,100,653,437)
Reversal of provision	8,615,200	-	8,615,200
Ending balance	(3,092,038,237)	-	(3,092,038,237)

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

8. Inventories

	Ending balance		Beginning balance	
	Value	Provision (*)	Value	Provision
Goods in transit	12,738,071,809	-	34,132,326,855	-
Raw materials	238,129,313,086	-	204,973,670,341	-
Tools and supplies	475,279,448	-	511,438,880	-
Finished goods	3,197,141,782	-	3,197,141,782	-
Goods	400,754,524,436	(2,256,636,637)	319,492,023,759	(3,284,993,434)
Goods sent for sale	18,975,581,066	-	18,975,581,066	-
Total	674,269,911,627	(2,256,636,637)	581,282,182,683	(3,284,993,434)

() Inventories for which provision was made during the year are slow-moving items, outdated models not in line with consumer preferences and unlikely to be sold. The Company continues to liquidate these items and separate usable parts therefrom, and makes additional provision to reflect accurately the net realisable value of inventories.*

Details of movements in provision for decline in inventory value are as follows:

	Current year	Previous year
Beginning balance	(3,284,993,434)	(2,508,174,698)
Additional provision made	(613,368,329)	(943,220,058)
Hoàn nhập dự phòng	1,641,725,126	166,401,322
Ending balance	(2,256,636,637)	(3,284,993,434)

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Notes to the Combined Financial Statements (continued)**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, shelves and product display partitions	581,666,517	1,460,695,362
Insurance expenses	274,217,504	56,541,161
Certification of products in conformity with regulations	-	36,728,494
Software acquisition and renewal expenses	124,877,642	152,536,429
Other short-term prepaid expenses	119,463,599	129,001,963
Total	1,517,248,391	2,159,533,389

b) Long-term prepaid expenses

	Ending balance	Beginning balance
Tools and supplies	494,773,260	455,729,464
Advertising signboard expenses	252,178,461	2,917,847,898
Software acquisition expenses	590,673	65,888,649
Other long-term prepaid expenses	12,423,125	54,846,844
Total	759,965,519	3,494,312,855

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Notes to the Combined Financial Statements (continued)**10. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Means of transport and transmission	Management equipment and tools	Other fixed assets	Total
Original cost						
Beginning balance	33,762,537,100	35,697,505,597	12,131,543,421	575,158,282	518,676,076	82,685,420,476
Acquired during the year	-	-	909,090,909	-	-	909,090,909
Ending balance	33,762,537,100	35,697,505,597	13,040,634,330	575,158,282	518,676,076	83,594,511,385
<i>Of which:</i>						
Fully depreciated but still in use	10,734,419,531	28,247,666,444	5,115,240,694	356,168,280	426,753,076	44,880,248,025
Accumulated depreciation						
Beginning balance	26,199,410,806	29,543,738,965	9,278,870,290	467,790,902	480,374,826	65,970,185,789
Depreciation for the year	2,190,672,629	832,862,052	1,418,451,676	45,461,628	18,384,600	4,505,832,585
Ending balance	28,390,083,435	30,376,601,017	10,697,321,966	513,252,530	498,759,426	70,476,018,374
Net carrying value						
Beginning balance	7,563,126,294	6,153,766,632	2,852,673,131	107,367,380	38,301,250	16,715,234,687
Ending balance	5,372,453,665	5,320,904,580	2,343,312,364	61,905,752	19,916,650	13,118,493,011

+ Certain fixed assets with original cost and net carrying 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 all factory buildings serving air-conditioner production.

+ Fixed assets comprising Mercedes vehicle registration plate No. 30F-840.98 and Mercedes-Benz vehicle registration plate No. 30F-798.91, with original cost and net carrying value of VND 3,305,978,182 and VND 0, respectively, and Mercedes vehicle registration plate No. 30G-381.66, with original cost and net carrying 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 collateral for the credit facility of Nagakawa Group Joint Stock Company.

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

These are software programs:

	<u>Original cost</u>	<u>Amortisation</u>	<u>Net carrying value</u>
Beginning balance	3,995,712,600	2,164,094,572	1,831,618,028
Increase during the year	13,000,000,000	682,510,302	12,317,489,698
Ending balance	16,995,712,600	2,846,604,874	14,149,107,726

Computer software with original cost of VND 1,353,212,600 and an amortisation period of 03 years has been fully amortised but is still in use.

12. Investment properties

These are land use rights, including:

+ Land use rights relating to land plot No. 56, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term, 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 City on 02 June 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 24 September 2025 at Song Han Notary Office, address: 90 Hai Phong, Hai Chau Ward, Da Nang City.

+ Land use rights relating to land plot No. 57, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term, 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 City on 02 June 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 24 September 2025 at Song Han Notary Office, address: 90 Hai Phong, 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 investment properties as at December 31, 2025 due to the unavailability of a suitable valuation firm. Accordingly, the Company has not disclosed the fair value of these investment properties in the Notes to the Financial Statements.

13. Construction in progress

	<u>Beginning balance</u>	<u>Arising during the year</u>	<u>Reclassified to fixed assets during the year</u>	<u>Ending balance</u>
Acquisition of fixed assets	153,780,000	3,065,615,000	-	3,219,395,000
<i>Advertising film and brand identity development costs</i>	<i>153,780,000</i>	-	-	<i>153,780,000</i>
<i>ERP warranty management software</i>	-	<i>3,065,615,000</i>	-	<i>3,065,615,000</i>
Construction in progress	40,000,000	-	-	40,000,000
<i>Construction of chemical prevention measures</i>	<i>40,000,000</i>	-	-	<i>40,000,000</i>
Total	193,780,000	3,065,615,000	-	3,259,395,000

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Notes to the Combined Financial Statements (continued)**14. Short-term trade payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>40,858,021,022</i>	<i>17,089,736,313</i>
Nagakawa Technical Investment and Development Joint Stock Company	37,892,806,022	15,649,736,313
Viet Phuc Hung Yen Joint Stock Company	2,400,000,000	1,440,000,000
Nagakawa High Technology Joint Stock Company	565,215,000	-
<i>Payables to other suppliers</i>	<i>132,940,894,982</i>	<i>130,813,211,425</i>
Minh Long Electronics Equipment Manufacturing and Trading Company Limited	14,702,693,888	29,620,543,889
MK Vietnam Investment Joint Stock Company	14,152,869,426	5,931,549,828
Tramexco Joint Stock Company	22,837,214,441	8,113,615,718
Other suppliers	81,248,117,227	87,147,501,990
Total	<u>173,798,916,004</u>	<u>147,902,947,738</u>

15. 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>12,960,265,885</i>	<i>5,369,649,132</i>
SH Vietnam Engineering Construction Joint Stock Company	2,315,855,100	2,315,855,100
Hung Thinh Trading Development Company Limited	2,965,540,280	-
A2T Manufacturing and Trading Joint Stock Company	1,382,284,395	-
Ngoc Nguyen Chau Refrigeration Joint Stock Company	3,078,800,078	-
Other customers	3,217,786,032	3,053,794,032
Total	<u>13,733,581,672</u>	<u>8,841,215,581</u>

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Notes to the Combined Financial Statements (continued)

16. Taxes and amounts payable to the State

	Beginning balance		Arising during the year		Ending balance	
	Payable	Receivable	Amount payable	Amount paid	Payable	Receivable
Value-added tax on domestic sales	10,677,395,410	-	9,630,716,642	(11,027,894,064)	9,280,217,988	-
Value-added tax 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	6,505,926,601	-	10,096,258,948	(7,172,977,092)	9,429,208,457	-
Personal income tax	164,897,095	-	1,544,910,492	(1,592,986,449)	116,821,138	-
Land rental	-	-	424,167,986	-	424,167,986	-
Other taxes	353,390,830	-	5,000,000	(358,390,830)	-	-
Total	21,544,739,184	-	325,100,040,856	(326,114,284,355)	20,530,495,685	-

The Company's tax finalization is subject to examination by the tax authorities. As 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 decisions of the tax authorities.

Value-added tax

The Company declares and pays value-added tax under the deduction method. Applicable value-added tax rates are as follows:

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

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

17. Short-term accrued expenses

	Ending balance	Beginning balance
Interest payable	2,545,718,695	2,412,592,042
Accrued sales discount and promotion program expenses	-	2,407,500,000
Other short-term accrued expenses	-	177,390,598
Total	2,545,718,695	4,997,482,640

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18. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<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>	2,351,670,338	1,452,265,388
Trade union fees	494,012,248	324,428,948
Short-term deposits received	839,540,050	-
Dividends and profits payable	1,018,118,040	1,018,118,040
Total	<u>2,351,670,338</u>	<u>1,582,048,209</u>

19. Short-term borrowings and finance lease liabilities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Repayable amount</u>	<u>Value</u>	<u>Repayable amount</u>
<i>Short-term borrowings and finance lease liabilities due to other organizations and individuals</i>	1,496,505,392,889	1,496,505,392,889	1,135,906,992,519	1,135,906,992,519
Short-term bank borrowings				
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (1)</i>	388,421,153,474	388,421,153,474	385,276,762,665	385,276,762,665
<i>Military Commercial Joint Stock Bank - Dien Bien Phu Branch (2)</i>	79,352,852,736	79,352,852,736	79,963,217,714	79,963,217,714
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch (3)</i>	377,488,368,093	377,488,368,093	306,424,549,728	306,424,549,728
<i>Vietnam International Commercial Joint Stock Bank - Dong Da Branch</i>	-	-	76,988,376,825	76,988,376,825
<i>KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch (4)</i>	183,814,842,956	183,814,842,956	187,337,034,666	187,337,034,666
<i>Vietnam Export Import Commercial Joint Stock Bank (5)</i>	139,506,915,415	139,506,915,415	99,917,050,921	99,917,050,921
<i>Vietnam Technological and Commercial Joint Stock Bank - Thai Thinh Branch (6)</i>	249,996,194,334	249,996,194,334	-	-
<i>Woori Bank Vietnam Limited (7)</i>	77,925,065,881	77,925,065,881	-	-
Total	<u>1,496,505,392,889</u>	<u>1,496,505,392,889</u>	<u>1,135,906,992,519</u>	<u>1,135,906,992,519</u>

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Notes to the Combined Financial Statements (continued)

(1) This is a borrowing from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch under the credit facility contract No. 1504/2025-HDCVHM/NHCT320-HTGT dated 16 April 2025, with the total outstanding loan balance, guarantees and issued L/Cs at any time not exceeding VND 400,000,000,000. The credit facility is maintained for 12 months from the signing date of the contract. The term of each loan 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 specified in each debt acknowledgment. The loan contract 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, pursuant to Collateral Agreement No. 50/2018/HĐBĐ/NHCT320-NAG-HUNGYEN dated June 18, 2018.

+ Ownership of residential house and residential land use rights No. 10111071095, original file No. 6586 2003 2640.203.QDUB 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 Contract No. 02/2019/HĐBĐ/NHCT320-NAG dated 03 December 2019.

+ Ownership of residential house 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 Certificate of House Ownership and Land Use Rights No. 10111071019, original file No. 3015-2003-QDUB/8623.2003 issued by the People's Committee of Hanoi City on 02 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 confirmed the transfer to Ms. Dao Thi Soi under transfer dossier No. 10121293/HHDCN dated 29 October 2012 at My Dinh Notary Office, Hanoi City, under Mortgage Contract No. 01/2020/HĐBĐ/NHCT320-NAG dated 02 November 2020.

+ Land use rights relating to land plot No. 99, map sheet No. 16 at Dai Kim Ward, Hoang Mai District, Hanoi City under Land Use Rights Certificate No. AD537451, Certificate No. 01674-2144 QD-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 confirmed the transfer to Mr. Nguyen Duc Kha and Ms. Dao Thi Soi under dossier No. 1181 dated 14 April 2015, under Mortgage Contract 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 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.

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Notes to the Combined Financial Statements (continued)

+ Land use rights and assets attached to land 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.

+ 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.

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

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

+ Machinery and equipment owned by KLW Vietnam Garment Joint Stock Company under Movable Asset Mortgage Contract No. 2804/2021/HDBD/NHCT320-MAYMOCKLW dated 28 April 2021.

+ Mercedes vehicle, registration plate No. 30G-381.66, owned by Nagakawa Group Joint Stock Company - Hanoi Branch under Asset Mortgage Contract No. 0309/2020/HDBD/NHCT320-NAGAKAWA signed on 19 October 2020.

+ All rotating inventories owned by Nagakawa Group Joint Stock Company valued at VND 60,000,000,000 under the secured asset valuation minutes dated 30 January 2018 and Inventory Mortgage Contract No. 01/2018/HDTC/NHCT320-NAG-HTK signed on 06 February 2018. Under the amendment and supplement to the Inventory Mortgage Contract No. 01/2020/HDBD/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 the credit facility contract No. 257513.24.051.879737.TD dated 22 November 2024, with a credit facility limit of VND 130 billion; loan limit of VND 80 billion, guarantee limit excluding payment guarantees of VND 50 billion, and L/C issuance limit of VND 50 billion. The limit for total granted credit facilities is VND 80 billion; the loan and payment guarantee limit for the import of components/equipment for assembly purposes is a maximum of VND 30 billion. The credit facility term is until 21 October 2025 from the signing date of the contract. The term of each borrowing is stated in each debt acknowledgment but does not exceed 6 months. The purpose of the borrowing is to supplement working capital for the production and trading of refrigeration appliances, household electrical appliances and kitchen equipment of the customer. The interest rate, interest adjustment date and interest adjustment period are specified in the Bank's debt acknowledgment documents. Collateral includes:

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- + 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 total value of VND 37,800,000,000, which are being mortgaged to the bank.

- (3) This is a borrowing from the Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch under credit facility contract No. 01/2024/367653/HDTD dated 31 October 2025, with the total credit facility at any time not exceeding VND 400,000,000,000. This facility includes all outstanding short-term borrowings under Contract No. 01/2024/367653/HDTD dated 15 September 2024. The credit facility is granted for 12 months from the signing date of the contract. Lending rates are specifically stated in each debt acknowledgment note; overdue interest is equal to 150% of the in-term interest rate. Loan principal is repayable in full on the maturity date of each debt acknowledgment note. The loan contract is secured by:
 - + Real estate at HD03-16, Vinhomes Riverside 2 Ecological Urban Area, Phuc Dong Ward, Long Bien District, Hanoi City under Certificate of Land Use Rights, Ownership of Residential 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 Contract No. 02/2019//367653/HDBD dated 18 September 2019).
 - + All factory buildings on land plot No. 340, map sheet No. 26, Phuc Thang Ward, Phuc Yen, Vinh Phuc owned by the Company under Real Estate Mortgage Contract No. 03/2019/367653/HDBD dated 18 November 2019.

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

- + Mortgage of all factory buildings 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 Contract of Assets Attached to Land No. 01/2021/367653/HDBD dated 26 May 2021.

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

- (4) This is a borrowing from KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch under Contract No. 143/2023/FA.01 dated 27 December 2023, with the total credit limit not exceeding VND 200,000,000,000. The credit facility remains effective for 12 months from the effective date of the contract. 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 equipment and household appliances. The loan contract is secured by:
 - + Term deposit contracts at KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch with total value of VND 100,000,000,000, which are being mortgaged to the bank.

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

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

(6) This is a borrowing from Vietnam Technological and Commercial Joint Stock Bank under Credit Contract No. MMD20253653942/HDCTD dated 06 October 2025, with the total outstanding loan balance, guarantees and issued L/Cs at any time not exceeding VND 200,000,000,000. The credit facility is maintained for 12 months from the signing date of the contract. The term of each loan 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 specified in each debt acknowledgment. The loan contract is secured by:

+ Land use rights relating to land plot No. 56, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term, 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 City on 02 June 2015. Land use rights relating to land plot No. 57, map sheet No. 69; area: 125 m²; land use purpose: urban residential land; term of use: long-term, 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 City on 02 June 2015. The collateral value is VND 30,007,000,000 under Mortgage Contract No. MMD20253693246/HDTTC dated 06 October 2025.

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

(7) This is a borrowing from Woori Bank Vietnam Limited - Vinh Phuc Branch under credit facility contract No. VN125009424/WBVN304 dated 05 September 2025 and Amendment Appendix No. 01-PLHDCV-VN125009424-001/WBVN304, with a total outstanding loan limit of VND 78,000,000,000. The credit facility is maintained for 12 months from the signing date of the contract. The term of each loan 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 specified in each debt acknowledgment. The loan contract is secured by:

+ The mortgaged assets are goods under the lawful ownership of Nagakawa Group Joint Stock Company with collateral value of VND 40,950,000,000 under Mortgage Contract No. VN00044371 signed on 05 September 2025.

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

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Notes to the Combined Financial Statements (continued)

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

	Beginning balance	Borrowings during the year	Repayments during the year	Reduction due to offset against term deposits	Ending balance
Short-term bank borrowings	1,135,906,992,519	3,267,274,986,014	(2,892,417,537,831)	(14,259,047,813)	1,496,505,392,889
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (1)</i>	385,276,762,665	953,943,870,618	(950,799,479,809)	-	388,421,153,474
<i>Military Commercial Joint Stock Bank - Dien Bien Phu Branch (2)</i>	79,963,217,714	158,955,974,943	(159,566,339,921)	-	79,352,852,736
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch (3)</i>	306,424,549,728	833,217,705,515	(762,153,887,150)	-	377,488,368,093
<i>Vietnam International Commercial Joint Stock Bank - Dong Da Branch</i>	76,988,376,825	143,804,057,448	(206,533,386,460)	(14,259,047,813)	-
<i>KASIKORNBANK Public Company Limited - Ho Chi Minh City Branch (4)</i>	187,337,034,666	559,837,843,368	(563,360,035,078)	-	183,814,842,956
<i>Vietnam Export Import Commercial Joint Stock Bank (5)</i>	99,917,050,921	289,494,273,907	(249,904,409,413)	-	139,506,915,415
<i>Vietnam Technological and Commercial Joint Stock Bank - Thai Think Branch (6)</i>	-	250,096,194,334	(100,000,000)	-	249,996,194,334
<i>Woori Bank Vietnam Limited (7)</i>	-	77,925,065,881	-	-	77,925,065,881
Short-term borrowings from individuals	-	1,500,000,000	(1,500,000,000)	-	-
Total	<u>1,135,906,992,519</u>	<u>3,268,774,986,014</u>	<u>(2,893,917,537,831)</u>	<u>(14,259,047,813)</u>	<u>1,496,505,392,889</u>

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Notes to the Combined Financial Statements (continued)**20. Short-term provisions payable**

	<u>Beginning balance</u>	<u>Increase from additional provision made during the year</u>	<u>Utilised during the year</u>	<u>Reversed during the year</u>	<u>Ending balance</u>
Provision for product and goods warranty	3,335,149,789	5,748,186,897	-	(5,324,716,731)	3,758,619,955
Total	<u>3,335,149,789</u>	<u>5,748,186,897</u>	<u>-</u>	<u>(5,324,716,731)</u>	<u>3,758,619,955</u>

21. Bonus and welfare fund

	<u>Beginning balance</u>	<u>Increase from appropriation of profits</u>	<u>Utilisation during the year</u>	<u>Ending balance</u>
Bonus fund	868,423,473	-	-	868,423,473
Welfare fund	336,233,580	-	-	336,233,580
Total	<u>1,204,657,053</u>	<u>-</u>	<u>-</u>	<u>1,204,657,053</u>

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Notes to the Combined Financial Statements (continued)

22. Owners' equity*a) Statement of changes in owners' equity*

	Owners' contributed capital	Share premium	Treasury shares	Development investment fund	Undistributed profit after tax	Total
Beginning balance of Previous year	316,465,410,000	5,348,010,000	(20,000)	8,292,554,359	69,443,302,745	399,549,257,104
Profit for Previous year	-	-	-	-	26,142,820,143	26,142,820,143
Appropriation to funds	-	-	-	1,257,507,429	(1,760,510,401)	(503,002,972)
Dividends and profits distributed in shares	25,312,280,000	-	-	-	(25,312,280,000)	-
Ending balance of Previous year	341,777,690,000	5,348,010,000	(20,000)	9,550,061,788	68,513,332,487	425,189,074,275
Beginning balance of Current year	341,777,690,000	5,348,010,000	(20,000)	9,550,061,788	68,513,332,487	425,189,074,275
Dividends distributed in shares	28,601,660,000	-	-	-	(28,601,660,000)	-
Bonus shares issued to employees	15,823,000,000	(200,000,000)	-	-	-	15,623,000,000
Profit for the year	-	-	-	-	36,667,398,070	36,667,398,070
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)	10,897,270,675	75,231,861,670	477,479,472,345

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Notes to the Combined Financial Statements (continued)**b) Profit distribution**

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

	VND
• Dividends distributed in shares equivalent to 8% of charter capital	: 28,608,050,000
• Development investment fund at 5% of profit after tax	: 1,347,208,887

c) Details of owners' contributed capital

	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 authorised 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 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.

23. Off-balance sheet items of the superior entity**a, Foreign currencies**

	Ending balance	Beginning balance
United States Dollar (USD)	290,24	290,24

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	Not recoverable
Thuan An Company	525,607,000	525,607,000	Not recoverable
Phu Tai Private Enterprise	283,250,000	283,250,000	Not recoverable
Nhat Anh Store	125,087,382	125,087,382	Not recoverable
Zhe Jiang Phidas Electric Appliance Manu Company	104,612,027	104,612,027	Not recoverable
Trang An Technology Trading Joint Stock Company	30,000,000	30,000,000	Not recoverable
Total	1,116,279,409	1,116,279,409	

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For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)**VI. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE COMBINED INCOME STATEMENT****1. Revenue from sale of goods and rendering of services***a, Gross revenue*

	<u>Current year</u>	<u>Previous year</u>
Total revenue	3,305,510,172,162	2,655,867,040,646
Revenue from sale of goods and finished goods	3,298,378,026,796	2,644,674,120,555
Revenue from rendering of services	7,132,145,366	11,192,920,091
Revenue deductions:		
Trade discounts	(46,133,098,927)	(11,321,139,895)
Sales returns	(45,808,344,382)	(9,287,254,197)
	<u>(324,754,545)</u>	<u>(2,033,885,698)</u>
Net revenue	<u>3,259,377,073,235</u>	<u>2,644,545,900,751</u>
<i>Of which:</i>		
Net revenue from sale of goods and finished goods	3,252,244,927,869	2,633,352,980,660
Net revenue from rendering of services	7,132,145,366	11,192,920,091

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

	<u>Current year</u>	<u>Previous year</u>
Nagakawa Technical Investment and Development Joint Stock Company	39,952,963,059	31,482,617,161
KLW Vietnam Garment Joint Stock Company	14,994,412,034	9,354,869,012
Nagakawa Da Nang Joint Stock Company	132,313,947,000	105,131,574,333
Nagakawa Electronics Joint Stock Company	101,083,631,664	79,718,746,929
Nagakawa Ho Chi Minh City Joint Stock Company	809,181,584,325	595,278,065,750
Viet Phuc Hung Yen Joint Stock Company	584,993,908,780	494,076,778,000
Nagakawa High Technology Joint Stock Company	398,980,000	125,608,500

2. Cost of sales

	<u>Current year</u>	<u>Previous year</u>
Cost of goods sold	3,054,938,500,614	2,449,291,105,987
Cost of services rendered	5,837,202,013	5,769,752,859
Provision/(Reversal of provision) for decline in inventory value	<u>(1,028,356,797)</u>	<u>776,818,736</u>
Total	<u>3,059,747,345,830</u>	<u>2,455,837,677,582</u>

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

	<u>Current year</u>	<u>Previous year</u>
Interest income from term deposits, demand deposits and bonds	16,900,364,567	19,741,993,019
Realised foreign exchange gains	654,767,214	3,937,835,370
Foreign exchange gains from revaluation of monetary items denominated in foreign currencies	10,322	180,171,314
Late payment interest income	4,183,540,059	-
Total	<u>21,738,682,162</u>	<u>23,859,999,703</u>

4. Finance expenses

	<u>Current year</u>	<u>Previous year</u>
Interest expense	73,731,350,205	63,310,719,995
Cash discounts granted to customers	3,666,341,775	3,533,713,062
Realised foreign exchange losses	7,862,832,563	3,418,595,627
Provision/(Reversal of provision) for impairment of investments	89,713,742	(19,406,711)
Total	<u>85,350,238,285</u>	<u>70,243,621,973</u>

5. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Employee expenses	11,263,720,324	10,750,184,549
Materials and packaging expenses	-	193,238,941
Tools and supplies expenses	196,541,270	381,486,762
Depreciation of fixed assets	2,291,201,332	2,753,314,895
Payments to warranty service centers	8,577,356,736	-
Advertising and customer conference expenses	-	34,515,950,372
Provision for product warranty	5,748,186,897	7,441,178,278
Reversal of provision for product warranty	(5,324,716,731)	(5,143,671,464)
Purchased services	34,002,083,027	31,039,476,862
Other expenses	3,680,033,200	4,605,614,219
Total	<u>60,434,406,055</u>	<u>86,536,773,414</u>

6. General and administrative expenses

	<u>Current year</u>	<u>Previous year</u>
Employee expenses	17,220,555,348	15,702,913,737
Management materials expenses	16,850,000	90,240,437
Office supplies expenses	347,925,990	343,986,234
Depreciation of fixed assets	635,644,230	439,031,325
Taxes, fees and charges	5,000,000	4,000,000
Provision/(Reversal of provision) for doubtful receivables	(8,615,200)	-
Purchased services	4,434,206,223	3,001,154,862
Other expenses	3,961,104,485	5,422,053,455
Total	<u>26,612,671,076</u>	<u>25,003,380,050</u>

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Notes to the Combined Financial Statements (continued)

7. Other income

	<u>Current year</u>	<u>Previous year</u>
Gain on disposal and sale of fixed assets and investment properties	-	136,363,636
Insurance compensation and penalties for breach of contract	86,579,480	-
Bad debt write-off recovery	-	3,549,355,695
Supplier support for market development	-	715,509,431
Other income	412,828,936	235,260,533
Total	<u><u>499,408,416</u></u>	<u><u>4,636,489,295</u></u>

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Tax penalties and tax arrears collected	1,723,173,485	1,777,881,511
Non-deductible expenses for tax purposes	983,671,453	62,765,260
Other expenses	611	265,260,384
Total	<u><u>2,706,845,549</u></u>	<u><u>2,105,907,155</u></u>

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>
Total accounting profit before tax	46,763,657,018	33,315,029,575
Adjustments increasing or decreasing accounting profit to determine taxable income for corporate income tax purposes:		
- Adjustments increasing profit	3,717,637,722	2,534,968,587
Passenger car costing over VND 1.6 billion	375,392,173	384,321,816
Tax penalties and tax arrears collected	1,723,173,485	1,777,881,511
Other non-deductible expenses	983,672,064	62,765,260
Remuneration of the Board of Directors and the Supervisory Board not directly involved in management	635,400,000	310,000,000
- Adjustments decreasing profit	-	-
Taxable income	<u>50,481,294,740</u>	<u>35,849,998,162</u>
Corporate income tax rate	20%	20%
Corporate income tax payable	<u>10,096,258,948</u>	<u>7,169,999,632</u>
Adjustment to corporate income tax payable of Previous year	-	2,209,800
Total current corporate income tax expense	<u><u>10,096,258,948</u></u>	<u><u>7,172,209,432</u></u>

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Notes to the Combined Financial Statements (continued)**10. Expenses by element**

	<u>Current year</u>	<u>Previous year</u>
Raw materials, materials, tools and supplies expenses	561,317,260	38,189,809,301
Labour costs	28,484,275,672	26,453,098,286
Depreciation of fixed assets	5,188,342,887	5,743,766,444
Purchased services	38,376,906,466	66,946,408,231
Warranty expenses	9,000,826,902	2,297,506,814
Provision expenses	(8,615,200)	776,818,736
Other cash expenses	11,281,225,157	10,042,477,674
Total	<u>92,884,279,144</u>	<u>150,449,885,486</u>

11. Basic/diluted earnings per share

The Company does not calculate this indicator in the Combined Financial Statements because, pursuant to Circular No. 200/2014/TT-BTC dated 22 December 2014, for a parent company that is a joint stock company, this indicator is required to be presented only in the interim consolidated financial statements and is not presented in the Combined Financial Statements of the parent company.

VII. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE COMBINED 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	1,347,500,000	-
Offsetting of loan interest and lending interest	129,782,821	-
Dividends distributed in shares	28,601,660,000	25,312,280,000
Offsetting of loan receivables and payables	-	2,598,100,000
Offsetting of payables against dividend receivables	-	3,610,354,648
Offsetting of deposits against loan principal	14,259,047,813	-
Offsetting of deposits against loan interest	140,952,187	-

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

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

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

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

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

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Notes to the Combined Financial Statements (continued)

Income of key management personnel is as follows:

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

Transactions with other related parties

Other related parties of the Company include:

<u>Related party</u>	<u>Relationship</u>
Nagakawa Technical Investment and Development Joint Stock Company	Subsidiary
Nagakawa Da Nang Joint Stock Company	Subsidiary
Nagakawa Ho Chi Minh City Joint Stock Company	Subsidiary
Nagakawa Electronics Joint Stock Company	Subsidiary
Viet Phuc Hung Yen Joint Stock Company	Subsidiary
Nagakawa High Technology Joint Stock Company	Subsidiary
KLW Vietnam Garment Joint Stock Company	Associate
Mr. Nguyen Duc Kha	Major shareholder
Ms. Dao Thi Soi	Mother of the General Director
Mr. Nguyen Manh Cuong	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:

	<u>Current year</u>	<u>Previous year</u>
<i>Nagakawa Technical Investment and Development Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	43,612,750,665	35,855,723,990
Sales returns	-	426,399,167
Late payment interest receivable	703,014,977	-
Receivables from allocation of advertising and customer conference expenses	7,701,746,822	3,759,370,840
Collections from sales	2,249,099,383	43,013,550,000
Offsetting of balances	-	31,864,462,518
Payables for purchases of goods and services	144,121,543,709	59,263,430,831
Payments for purchases of goods and services	-	13,542,706,000

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Notes to the Combined Financial Statements (continued)

	<u>Current year</u>	<u>Previous year</u>
Offsetting of balances against dividend receivables	-	3,610,354,648
Payments for purchases of goods and services	120,085,000,000	-
<i>Nagakawa Da Nang Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	145,467,347,460	116,435,509,864
Collections from sale of goods and rendering of services	125,085,000,000	107,950,000,000
Offsetting of balances	4,580,611,462	5,270,128,652
Payables for purchases of goods and services	4,580,611,462	5,270,128,652
<i>KLW Vietnam Garment Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	16,343,019,927	10,286,301,962
Collections from sale of goods and rendering of services	12,055,631,958	12,460,200,000
Loan interest receivable	1,113,659,900	643,546,302
Loan interest payable	-	129,399,890
Offsetting of lending interest and borrowing interest	129,782,821	-
Short-term loan payable	-	3,500,000,000
Repayment of short-term loan	-	9,502,000,000
Offsetting of vehicle rental and sales receivables	-	259,200,000
Loan receivable	34,810,000,000	46,296,000,000
Collection of loan receivable	46,992,040,000	23,300,000,000
Capital contribution in cash	-	12,000,000,000
<i>Nagakawa Ho Chi Minh City Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	889,380,016,521	654,805,872,325
Sales returns and cash discounts	11,188,518,484	-
Collections from sale of goods and rendering of services	778,211,984,076	570,225,429,399
Payables for provision of sales personnel	-	615,663,590
Payables for purchases of goods and services	35,635,760,958	20,436,149,039
Payables for selling expenses to DMX	13,113,967,856	29,521,609,400
Offsetting of balances	35,635,760,958	20,436,149,039
<i>Nagakawa Electronics Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	109,947,292,095	87,673,621,623
Sales returns and trade discounts	12,248,182,800	-
Offsetting of balances	2,849,765,600	1,230,830,000
Three-party offsetting of balances	-	2,215,514,400
Collections from sales	91,685,000,000	58,106,710,000
Payables for purchases of goods and services	2,849,765,600	1,230,830,000
<i>Viet Phuc Hung Yen Joint Stock Company</i>		
Receivables from sale of goods and rendering of services	642,362,782,655	543,484,455,800
Collections from sales	709,325,111,000	496,235,000,000
Offsetting of receivables and payables	4,800,000,000	7,481,900,000
Loan interest receivable	-	418,661,919
Payables for warehouse rental	5,760,000,000	5,760,000,000
Offsetting of loan receivables and payables	-	2,598,100,000
<i>Nagakawa High Technology Joint Stock Company</i>		

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Notes to the Combined Financial Statements (continued)

	Current year	Previous year
Receivables from sale of goods and rendering of services	436,652,800	138,169,350
Collections from sale of goods and rendering of services	471,251,200	64,858,217
Payables for purchases of goods and services	1,128,246,200	541,023,200
Payments for purchases of goods and services	563,031,200	541,023,200
Capital contribution in cash	-	1,100,000,000

Nagakawa Group Joint Stock Company - Hanoi Branch

Receivables from sale of goods and rendering of services	684,701,203,892	545,727,814,227
Sales returns	52,180,687,762	30,899,179,300
Collections from sale of goods and rendering of services	677,282,457,000	544,493,000,000
Three-party offsetting of balances	13,813,300	-
Receivables for social insurance and trade union fees paid on behalf	328,144,800	372,272,250

Mr. Nguyen Duc Kha

Advance payment for transfer of real estate	12,500,000,000	-
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Ms. Nguyen Thi Huyen Thuong

Advance payment for transfer of real estate	20,000,000,000	-
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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.

At the end of the fiscal year, balances with related parties are presented in Notes V.2; V.3; V.4; V.5; V.6; V.14; V.15; and V.18.

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.19)

Assets	Fair value	Owner
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, pursuant to 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
Certificate of House Ownership and Residential Land Use Rights No. 10111071095, original file No. 6586 2003 2640.203.QDUB, 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	12,207,000,000	Ms. Dao Thi Soi and Mr. Nguyen Duc Kha

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Notes to the Combined Financial Statements (continued)

Assets	Fair value	Owner
December 2019.		
Land Use Right Certificate No. AD537451, recorded in the Land Use Right Certificate Register No. 01674-2144/QĐ-UB, issued by the People's Committee of Hoang Mai District on December 21, 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 (388 Kim Giang), pursuant to Mortgage Agreement No. 02/2020/HĐBĐ/NHCT320-NAG dated November 2, 2020.	25,650,000,000	Ms. Dao Thi Soi and Mr. Nguyen Duc Kha
Land Ownership Certificate No. DE 216785, entered in Certificate Register 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, for Apartment No. 329, Building R1 - 72A Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi City.	21,97,000,000	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 Mortgage 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 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.	6,984,000,000	Mr. Hoang Van Tuyen and Ms. 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 at HD03-16, Vinhomes Riverside 2	72,494,000,000	Anh Vu International Economic

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Notes to the Combined Financial Statements (continued)

Assets	Fair value	Owner
Ecological Urban Area, Phuc Dong Ward, Long Bien District, Hanoi City under Certificate of Land Use Rights, Ownership of Residential 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 Contract No. 02/2019//367653/HDBD dated 18 September 2019).		Development Company Limited
Shares of Nagakawa Group Joint Stock Company owned by Mr. Nguyen Duc Kha under Pledge Contract No. 02/2020/367653/HDBD dated 30 June 2020.	43,059,000,000	Mr. Nguyen Duc Kha
Mortgage of all factory buildings 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 Contract of Assets Attached to Land No. 01/2021/367653/HDBD 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

2. 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 such 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 contract will fail to discharge its obligation, resulting in a financial loss to the Company.

The Company's credit risks arise mainly from trade receivables and bank deposits.

Trade receivables

The Company mitigates credit risk by only transacting with entities having good financial capacity, requiring letters of credit or collateral from first-time counterparties or those for which information on financial capacity is not available. In addition, receivables accountants regularly monitor receivables in order to expedite collection.

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

Bank deposits

The Company's term and non-term bank deposits are placed with domestic banks. The Management does not consider that there is any material credit risk arising from these deposits.

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Notes to the Combined Financial Statements (continued)**B, Liquidity risk**

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

The Management bears ultimate responsibility for managing liquidity risk. 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 a level which the Management considers sufficient to meet the Company's operating needs, thereby minimising the impact of cash flow fluctuations.

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

	<u>Within 1 year</u>	<u>Over 1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Ending balance				
Borrowings and debts	1,496,505,392,889	-	-	1,496,505,392,889
Trade payables	173,798,916,004	-	-	173,798,916,004
Other payables	10,511,508,122	-	-	10,511,508,122
Total	<u>1,680,815,817,015</u>	-	-	<u>1,680,815,817,015</u>
Beginning balance				
Borrowings and debts	1,135,906,992,519	-	-	1,135,906,992,519
Trade payables	147,902,947,738	-	-	147,902,947,738
Other payables	11,736,332,651	-	-	11,736,332,651
Total	<u>1,295,546,272,908</u>	-	-	<u>1,295,546,272,908</u>

The Company considers the level of concentration of debt repayment risk to be low. The Company is able to settle debts as they fall due 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 due to 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-rate liabilities to floating-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 due to 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 due to 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 favorable interest rates while remaining within its risk management limits.

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NAGAKAWA GROUP JOINT STOCK COMPANY

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

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

Other price risk

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

3. Fair value of financial assets and financial liabilities

	Carrying amount		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Financial assets				
Cash and cash equivalents	237,199,441,967	60,277,937,679	237,199,441,967	60,277,937,679
Held-to-maturity investments	237,952,700,000	334,875,185,547	237,952,700,000	334,875,185,547
Trade receivables	687,903,606,803	514,961,939,518	687,903,606,803	514,961,939,518
Loans receivable	10,813,960,000	22,996,000,000	10,813,960,000	22,996,000,000
Other receivables	14,016,894,908	13,477,746,676	14,016,894,908	13,477,746,676
Available-for-sale financial assets	173,322,955,000	173,412,668,742	173,322,955,000	173,412,668,742
Total	1,361,209,558,678	1,120,001,478,162	1,361,209,558,678	1,120,001,478,162
Financial liabilities				
Borrowings and debts	1,496,505,392,889	1,135,906,992,519	1,496,505,392,889	1,135,906,992,519
Trade payables	173,798,916,004	147,902,947,738	173,798,916,004	147,902,947,738
Other payables	10,511,508,122	11,736,332,651	10,511,508,122	11,736,332,651
Total	1,680,815,817,015	1,295,546,272,908	1,680,815,817,015	1,295,546,272,908

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 and willing parties.

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

- The fair value of cash, short-term bank deposits, trade receivables, trade payables and other short-term payables approximates their carrying amounts due to the short-term maturities of these instruments.
- The fair value of fixed-rate and variable-rate receivables and loans is determined based on information such as interest rates, risks, repayment ability and the nature of the risks associated with the receivables or loans. Based on this assessment, the Company estimates the provision for the portion considered unlikely to be recoverable.
- The fair value of available-for-sale financial assets listed on the stock exchange is the quoted market price at the end of the fiscal year. The fair value of unlisted available-for-sale financial assets is estimated using appropriate valuation techniques.

NAGAKAWA GROUP JOINT STOCK COMPANY

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

4. Events occurring after the end of the fiscal year

The Management of the Company confirms that there have been no events occurring after 31 December 2025 up to the date of preparation of these Combined Financial Statements that have not been considered for adjustment of figures or disclosure in the Combined Financial Statements.

5. Comparative information

The comparative figures are taken from the Combined Financial Statements for the year 2024, which were audited by Nhan Tam Viet Auditing Company Limited.

Prepared on 31 March 2026

Prepared by

Chief Accountant

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
 COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

Notes to the Combined Financial Statements (continued)

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

	Ending balance		Beginning balance	
	Overdue period	Original cost	Overdue period	Original cost
Short-term trade receivables		442,600,942		442,600,942
Nagakawa Household Electrical Appliances Joint Stock Company	Unlikely to be recoverable	86,925,000	Unlikely to be recoverable	86,925,000
No. 4 Investment and Construction Joint Stock Company	Unlikely to be recoverable	355,675,942	Unlikely to be recoverable	355,675,942
Advances to suppliers		2,649,437,295		2,666,667,695
Nagakawa Household Electrical Appliances Joint Stock Company	Unlikely to be recoverable	1,300,951,400	Unlikely to be recoverable	1,300,951,400
Viet Cultural Architecture Joint Stock Company	Unlikely to be recoverable	154,815,000	Unlikely to be recoverable	154,815,000
Bach Khoa Refrigeration Technology Joint Stock Company	Unlikely to be recoverable	506,373,900	Unlikely to be recoverable	506,373,900
Vitech Automation Equipment Joint Stock Company	Unlikely to be recoverable	56,700,000	Unlikely to be recoverable	56,700,000
Guangdong Sky Bright Group Co., Ltd	Unlikely to be recoverable	156,765,699	Unlikely to be recoverable	156,765,699
Zhejiang Bingsheng Compressor Co., Ltd	Unlikely to be recoverable	377,031,887	Unlikely to be recoverable	377,031,887
Kelon International Inc	Unlikely to be recoverable	96,799,409	Unlikely to be recoverable	96,799,409
VIETPICTURES AUTO Joint Stock Company		-	Overdue from 1 year to under 2 years	96,799,409
Total		3,092,038,237		3,109,268,637
				86,925,000
				355,675,942
				2,649,437,295
				1,300,951,400
				154,815,000
				506,373,900
				56,700,000
				156,765,699
				377,031,887
				96,799,409
				17,230,400
				3,100,653,437

