

**NAGAKAWA GROUP JOINT STOCK COMPANY**  
**INTERIM COMBINED FINANCIAL STATEMENTS**  
**For the three-month period ended 31 March 2025**

**I, INTERIM COMBINED BALANCE SHEET**

	<b>ASSETS</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>A</b>	<b>Short-term assets</b>	<b>1,807,075,428,408</b>	<b>1,535,787,523,269</b>
I	Cash and cash equivalents	87,820,562,678	60,277,937,679
II	Short-term investments	318,263,069,802	314,875,185,547
III	Short-term receivables	705,716,465,288	580,398,812,608
IV	Inventories	687,003,135,666	577,997,189,249
V	Other current assets	8,272,194,974	2,238,398,186
<b>B</b>	<b>Long-term assets</b>	<b>213,938,551,069</b>	<b>216,538,435,732</b>
I	Long-term receivables	890,821,420	890,821,420
II	Fixed assets	17,202,919,532	18,546,852,715
1	<i>Tangible fixed assets</i>	<i>15,518,603,589</i>	<i>16,715,234,687</i>
2	<i>Finance lease fixed assets</i>	-	-
3	<i>Intangible fixed assets</i>	<i>1,684,315,943</i>	<i>1,831,618,028</i>
III	Investment properties	-	-
IV	Long-term assets in progress	473,780,000	193,780,000
V	Long-term investments	193,412,668,742	193,412,668,742
VI	Other long-term assets	1,958,361,375	3,494,312,855
	<b>TOTAL ASSETS</b>	<b>2,021,013,979,477</b>	<b>1,752,325,959,001</b>
	<b>RESOURCES</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>C</b>	<b>Liabilities</b>	<b>1,553,986,730,073</b>	<b>1,327,136,884,726</b>
I	Short-term liabilities	1,553,986,730,073	1,327,136,884,726
II	Long-term liabilities	-	-
<b>D</b>	<b>Owner's equity</b>	<b>467,027,249,404</b>	<b>425,189,074,275</b>
I	Capital	467,027,249,404	425,189,074,275
1	<i>Issued share capital</i>	<i>357,600,690,000</i>	<i>341,777,690,000</i>
2	<i>Share premium</i>	<i>5,348,010,000</i>	<i>5,348,010,000</i>
3	<i>Conversion options on convertible bonds</i>	-	-
4	<i>Other owner's capital</i>	-	-
5	<i>Treasury shares</i>	<i>(20,000)</i>	<i>(20,000)</i>
6	<i>Foreign exchange differences reserve</i>	-	-
7	<i>Exchange rate differences</i>	-	-
8	<i>Development and investment funds</i>	<i>9,550,061,788</i>	<i>9,550,061,788</i>
9	<i>Enterprise reorganization assistance fund</i>	-	-
10	<i>Other equity funds</i>	-	-
11	<i>Undistributed profit after tax</i>	<i>94,528,507,616</i>	<i>68,513,332,487</i>
12	<i>Capital expenditure funds</i>	-	-
II	Other funding sources and funds	-	-
1	<i>Funding sources</i>	-	-
2	<i>Funds for forming fixed assets</i>	-	-
	<b>TOTAL SOURCES</b>	<b>2,021,013,979,477</b>	<b>1,752,325,959,001</b>


## II, NTERIM COMBINED INCOME STATEMENT

Currency: VND

	Items	For the three-month period ended 31 March 2025	Accumulated from the beginning of the year
1	Revenues from sales and services rendered	925,757,822,992	925,757,822,992
2	Revenue deductions	2,096,647,819	2,096,647,819
3	<b>Net revenues from sales and services rendered</b>	<b>923,661,175,173</b>	<b>923,661,175,173</b>
4	Costs of goods sold	855,272,256,477	855,272,256,477
5	<b>Gross revenues from sales and services rendered</b>	<b>68,388,918,696</b>	<b>68,388,918,696</b>
6	Financial income	1,376,734,221	1,376,734,221
7	Financial expenses	14,630,593,388	14,630,593,388
	- In which: Interest expenses	13,492,987,194	13,492,987,194
8	Selling expenses	14,906,363,372	14,906,363,372
9	General administration expenses	6,689,946,396	6,689,946,396
10	<b>Oerating profit</b>	<b>33,538,749,761</b>	<b>33,538,749,761</b>
11	Other income	24,357,363	24,357,363
12	Other expenses	502,926,748	502,926,748
13	<b>Other profit/(loss)</b>	<b>(478,569,385)</b>	<b>(478,569,385)</b>
14	<b>Accounting profit before tax</b>	<b>33,060,180,376</b>	<b>33,060,180,376</b>
15	Current corporate income tax expenses	7,045,005,247	7,045,005,247
16	Deferred tax income	-	-
17	<b>Net profit after tax</b>	<b>26,015,175,129</b>	<b>26,015,175,129</b>

28 April 2025

Chief Accountant



Trinh Thi Phuong

General Director



Nguyen Thi Huyen Thuong

**NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the first 3 month of fiscal year ending December 31, 2025

**BALANCE SHEET**

As of March 31, 2025

Unit: VND

ASSET	Cod e	Explana tion	Year-end Balance	Beginning Balance
<b>A - SHORT-TERM ASSETS</b>	<b>100</b>		<b>1.807.075.428.408</b>	<b>1.535.787.523.269</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>87.820.562.678</b>	<b>60.277.937.679</b>
1. Cash	111		37.820.562.678	10.277.937.679
2. Cash equivalents	112		50.000.000.000	50.000.000.000
<b>II. Short-term financial investment</b>	<b>120</b>		<b>318.263.069.802</b>	<b>314.875.185.547</b>
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123	V.2	318.263.069.802	314.875.185.547
<b>III. Short-term receivables</b>	<b>130</b>		<b>705.716.465.288</b>	<b>580.398.812.608</b>
1. Short-term trade receivables	131	V.3	639.693.422.907	515.404.540.460
2. Short-term vendor advance	132	V.4	34.382.399.101	32.512.000.329
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135	V.5	23.813.960.000	22.996.000.000
6. Other short-term receivables	136	V.6	10.927.336.717	12.586.925.256
7. Provision for doubtful short-term receivables	137	V.7	(3.100.653.437)	(3.100.653.437)
8. Assets missing pending resolution	139		-	-
<b>IV. Inventory</b>	<b>140</b>		<b>687.003.135.666</b>	<b>577.997.189.249</b>
1. Inventory	141	V.8	690.288.129.100	581.282.182.683
2. Provision for inventory write-down	149	V.9	(3.284.993.434)	(3.284.993.434)
<b>V. Other short-term assets</b>	<b>150</b>		<b>8.272.194.974</b>	<b>2.238.398.186</b>
1. Short-term prepaid expenses	151	V.10	4.260.628.862	2.159.533.389
2. Deductible value added tax	152	V.11	4.011.566.112	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 Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the first 3 month of fiscal year ending December 31, 2025

**Balance Sheet (continued)**

ASSET	Cod e	Explana tion	Year-end Balance	Beginning Balance
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>213.938.551.069</b>	<b>216.538.435.732</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>890.821.420</b>	<b>890.821.420</b>
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.12	890.821.420	890.821.420
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>17.202.919.532</b>	<b>18.546.852.715</b>
1. Tangible fixed assets	221	V.13	15.518.603.589	16.715.234.687
<i>Original price</i>	222		82.685.420.476	82.685.420.476
<i>Accumulated depreciation</i>	223		(67.166.816.887)	(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.14	1.684.315.943	1.831.618.028
<i>Original price</i>	228		3.995.712.600	3.995.712.600
<i>Accumulated depreciation</i>	229		(2.311.396.657)	(2.164.094.572)
<b>III. Investment real estate</b>	<b>230</b>		-	-
Original price	231		-	-
Accumulated depreciation	232		-	-
<b>IV. Long-term unfinished assets</b>	<b>240</b>	<b>V.15</b>	<b>473.780.000</b>	<b>193.780.000</b>
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242		473.780.000	193.780.000
<b>V. Long-term financial investment</b>	<b>250</b>		<b>193.412.668.742</b>	<b>193.412.668.742</b>
1. Investment in subsidiaries	251	V.16	156.869.955.000	156.869.955.000
2. Investment in joint ventures and associates	252	V.17	24.000.000.000	24.000.000.000
3. Investing in other entities	253		-	-
4. Long-term financial investment reserve	254	V.18	(7.457.286.258)	(7.457.286.258)
5. Held to maturity investment	255	V.19	20.000.000.000	20.000.000.000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>1.958.361.375</b>	<b>3.494.312.855</b>
1. Long-term prepaid expenses	261	V.20	1.958.361.375	3.494.312.855
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>2.021.013.979.477</b>	<b>1.752.325.959.001</b>

**NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending March 31, 2025

**Balance Sheet (continued)**

CAPITAL SOURCE		Cod e	Explan a tion	Year-end Balance	Beginning Balance
<b>C - LIABILITIES PAYABLE</b>		<b>300</b>		<b>1.553.986.730.073</b>	<b>1.327.136.884.726</b>
<b>I. Short-term debt</b>		<b>310</b>		<b>1.553.986.730.073</b>	<b>1.327.136.884.726</b>
1. Short-term trade payables		311	V.21	375.044.492.094	147.902.947.738
2. Short-term advance payment buyer		312	V.22	6.436.296.744	8.841.215.581
3. Taxes and other payments to the State		313	V.23	16.268.517.203	21.544.739.184
4. Payable to workers		314	V.24	1.291.783.456	1.821.652.013
5. Short-term payable expenses		315	V.25	7.150.831.219	4.997.482.640
6. Short-term internal payables		316		-	-
7. Payable according to construction contract progress schedule		317		-	-
8. Short-term unearned revenue		318	V.26	55.909.092	-
9. Other short-term payables		319	V.27	72.583.606.608	1.582.048.209
10. Short-term loans and finance leases		320	V.28	1.071.283.460.229	1.135.906.992.519
11. Provision for short-term payables		321	V.29	2.667.176.375	3.335.149.789
12. Bonus and welfare fund		322	V.30	1.204.657.053	1.204.657.053
13. Price stabilization fund		323		-	-
14. Government bond repurchase transaction		324		-	-
<b>II. Long-term debt</b>		<b>330</b>		<b>-</b>	<b>-</b>
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 Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending March 31, 2025

**Balance Sheet (continued)**

CAPITAL SOURCE	Cod e	Explan a tion	Year-end Balance	Beginning Balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>467.027.249.404</b>	<b>425.189.074.275</b>
<b>I. Equity</b>	<b>410</b>	<b>V.31</b>	<b>467.027.249.404</b>	<b>425.189.074.275</b>
1. Owner's equity	411		357.600.690.000	341.777.690.000
- Common shares with voting rights	411a		357.600.690.000	341.777.690.000
- Preferred stock	411b		-	-
2. Capital surplus	412		5.348.010.000	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		9.550.061.788	9.550.061.788
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		94.528.507.616	68.513.332.487
- Undistributed profit after tax accumulated to the end of previous	421a		68.513.332.487	42.370.512.344
- Undistributed profit this period	421b		26.015.175.129	26.142.820.143
12. Source of capital for basic construction investment	422		-	-
<b>II. Other funding sources and funds</b>	<b>430</b>		-	-
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
<b>TOTAL CAPITAL</b>	<b>440</b>		<b>2.021.013.979.477</b>	<b>1.752.325.959.001</b>

Prepared by



Trung Binh Duong

Chief Accountant



Trinh Thi Phuong

Prepared on 28 April, 2025

Manager



Nguyễn Thị Huyền Thương

**NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the first 3 month of fiscal year ending December 31, 2025

**BUSINESS PERFORMANCE REPORT**

1st Quarter 2025

INDICATOR	Cod e	Explan ation	This quarter		Accumulated from beginning to period end	
			This year	Last year	Năm nay	Năm trước
1. Sales and service revenue	01		925.757.822.992	658.160.981.587	925.757.822.992	658.160.981.587
2. Revenue deductions	02		2.096.647.819	845.670.340	2.096.647.819	845.670.340
3. Net revenue from sales and services	10	VI.1	923.661.175.173	657.315.311.247	923.661.175.173	657.315.311.247
4. Cost of goods sold	11	VI.2	855.272.256.477	607.217.511.794	855.272.256.477	607.217.511.794
5. Gross profit from sales and service provision	20		68.388.918.696	50.097.799.453	68.388.918.696	50.097.799.453
6. Financial revenue	21	VI.3	1.376.734.221	3.630.278.694	1.376.734.221	3.630.278.694
7. Financial costs	22	VI.4	14.630.593.388	19.806.258.951	14.630.593.388	19.806.258.951
Including: interest expense	23		13.492.987.194	17.557.038.197	13.492.987.194	17.557.038.197
8. Cost of sales	25	VI.5	14.906.363.372	11.740.396.436	14.906.363.372	11.740.396.436
9. Business management costs	26	VI.6	6.689.946.396	5.401.191.731	6.689.946.396	5.401.191.731
10. Net operating profit	30		33.538.749.761	16.780.231.029	33.538.749.761	16.780.231.029
11. Other income	31	VI.7	24.357.363	182.433.152	24.357.363	182.433.152
12. Other costs	32	VI.8	502.926.748	80.985.295	502.926.748	80.985.295
13. Other profits	40		(478.569.385)	101.447.857	(478.569.385)	101.447.857
14. Total accounting profit before tax	50		33.060.180.376	16.881.678.886	33.060.180.376	16.881.678.886
15. Current corporate income tax expense	51	VI.9	7.045.005.247	2.949.038.167	7.045.005.247	2.949.038.167
16. Deferred corporate income tax expense	52		-	-	-	-
17. Profit after corporate income tax	60		<u>26.015.175.129</u>	<u>13.932.640.719</u>	<u>26.015.175.129</u>	<u>13.932.640.719</u>

Prepared by



Trương Bình Dương

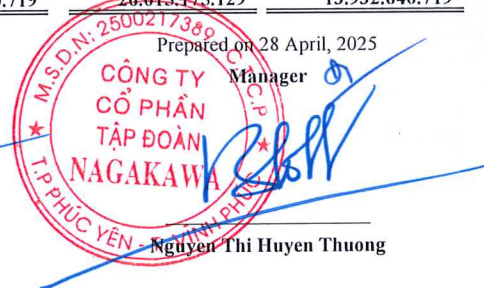
Chief Accountant



Trịnh Thị Phương

Prepared on 28 April, 2025

Manager



Nguyễn Thị Huyền Thương

**NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the first 3 month of fiscal year ending December 31, 2025

**CASH FLOW STATEMENT**

(By direct method)

1st quarter 2025

Unit: VND

INDICATORS	Code	Explanation	This quarter		Accumulated from beginning to period end	
			This year	Last year	This year	Last year
<b>I. Cash flow from operating activities</b>						
1. Cash received from sales of units	01		905.058.709.782	598.737.048.719	905.058.709.782	598.737.048.719
2. Cash payment to vendors	02		(671.880.985.565)	(585.395.402.620)	(671.880.985.565)	(585.395.402.620)
3. Cash payment to employees	03		(5.679.558.000)	(3.674.831.000)	(5.679.558.000)	(3.674.831.000)
4. Cash payment to loan interest expense	04		(15.905.579.236)	(17.557.038.197)	(15.905.579.236)	(17.557.038.197)
5. Corporate income tax paid	05		-	(566.505.627)	-	(566.505.627)
6. Cash received from other activities	06		1.664.135.782	333.067.324	1.664.135.782	333.067.324
7. Cash payment to other activities	07		(134.195.625.630)	(69.708.580.066)	(134.195.625.630)	(69.708.580.066)
<b>Cash flow from operating activities</b>	<b>20</b>		<b>79.061.097.133</b>	<b>(77.832.241.467)</b>	<b>79.061.097.133</b>	<b>(77.832.241.467)</b>
<b>II. Cash flow from investing activities</b>						
1. Cash payment for fixed assets and others long term assets	21		(280.000.000)	-	(280.000.000)	-
2. Cash received from fixed assets and other assets liquidations	22		-	-	-	-
3. Cash payment for loan, purchase of other loan instruments of the subsidiaries	23		(16.310.000.000)	(78.212.115.745)	(16.310.000.000)	(78.212.115.745)
4. Cash received from lending, sales of other lending instruments of the subsidiaries	24		62.092.040.000	4.000.000.000	62.092.040.000	4.000.000.000
5. Cash payment for Investment, Capital contribution to sul	25		-	(1.100.000.000)	-	(1.100.000.000)
6. Cash received for Investment, Capital contribution to sul	26		-	-	-	-
7. Cash received from interest income, dividend payment a	27		1.780.020.156	1.137.324.534	1.780.020.156	1.137.324.534
<b>Net cash flow from investing activities</b>	<b>30</b>		<b>47.282.060.156</b>	<b>(74.174.791.211)</b>	<b>47.282.060.156</b>	<b>(74.174.791.211)</b>

**NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Area, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the first 3 month of fiscal year ending December 31, 2025

**Cash flow statement**

INDICATOR		CO DE	Explan ation	This quarter		Accumulated from beginning to period end	
				This year	Last year	This year	Last year
III. Cash flow from financing activities							
1. Proceeds from issuing shares, receiving capital contributions owner	31		15.823.000.000	-	15.823.000.000	-	
2. Money returned to owners, buyback issued company shares	32		-	-	-	-	
3. Proceeds from borrowing	33		689.115.608.694	605.545.162.416	689.115.608.694	605.545.162.416	
4. Loan principal repayment	34		(753.739.140.984)	(436.606.922.276)	(753.739.140.984)	(436.606.922.276)	
5. Lease principal repayment	35		-	-	-	-	
6. Dividends, profits paid to owners	36		-	-	-	-	
Cash flow from financing activities	40		(48.800.532.290)	168.938.240.140	(48.800.532.290)	168.938.240.140	
Net cash flow during the year	50		77.542.624.999	16.931.207.462	77.542.624.999	16.931.207.462	
Cash and cash equivalents at the beginning of the year	60	V.1	10.277.937.679	5.984.173.933	10.277.937.679	38.872.816.740	
Impact of Foreign Exchange Rate Fluctuations on Current	61		-	-	-	-	
Cash and cash equivalents at the end of the year	70	V.1	87.820.562.678	22.915.381.395	87.820.562.678	55.804.024.202	

Prepared by



Trương Bình Dương

Chief Accountant



Trịnh Thị Phương



Prepared on 28 April, 2025

General Director

Nguyễn Thị Huyền Thương

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

### **NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS**

as at 31 March 2025 and for the three-month period then ended

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## **NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS**

**as at 31 March 2025 and for the three-month period then ended**

### **I. OPERATION FEATURES**

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

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

**3. Business activities:**

The business activities of the Company is:

- Manufacturing of consumer electronics products;
- Manufacturing of consumer electrical appliances. Details: Manufacturing of consumer electrical appliances, air conditioners;;
- Trading real estate properties, land use rights owned by the owner, user or lessee;
- Consultation, brokerage, real estate auction, land use rights auction;
- Construction of all types of houses;
- Construction of railways and roads;
- Construction of public works;
- Construction of other civil engineering works;
- Demolition and site preparation;
- Wholesale of computers, peripherals and software;
- Wholesale of electronic and telecommunications equipment and components;
- Wholesale of agricultural machinery, equipment and spare parts;
- Wholesale of other machinery, equipment and spare parts. Details: Purchase and sale of medical machinery and equipment; Purchase and sale of medical instruments; Wholesale of other machinery, equipment and spare parts;
- Wholesale of other construction materials and installation equipment;
- Installation of industrial machinery and equipment;
- Forging, stamping, pressing and rolling of metals; metal powder refining;
- Mechanical processing, treatment and coating of metals;
- Production of metal components;
- Production of iron, steel, cast iron;
- Installation of electrical systems;
- Installation of water supply, drainage, heating and air conditioning systems;
- Installation of other construction systems. Details: Design of ventilation, heating and air conditioning systems for construction works; installation of other construction systems;
- Production of medical, dental, orthopedic and rehabilitation equipment and instruments. Details: Production of medical and dental equipment and instruments (except dentures and prescription glasses);
- Production of other electrical equipment. Details: Production and trading of electrical machinery, equipment and electrical materials;
- Mining of iron ore (Enterprises only operate when they meet the conditions and are licensed by competent State agencies according to regulations);
- Mining and trading of stone, sand, gravel and clay;
- Warehousing and storage of goods. Details: Warehouse leasing; warehouse and storage of goods;

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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**NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)**

as at 31 March 2025 and for the three-month period then ended

- Mining of other non-ferrous metal ores (Enterprises only operate when they meet the conditions and are licensed by competent State agencies according to regulations);
- Transporting goods by road. Details: transporting goods by specialized vehicles;
- Buying and selling construction materials; Producing and buying and selling all kinds of refrigeration supplies; Buying and selling metals and metal ores; Producing garments; Producing knitted and crocheted clothing; Buying and selling fabrics, ready-made garments, footwear; Buying and selling garments, footwear, leather and imitation leather goods in specialized stores; Producing knitted fabrics, crocheted fabrics and other non-woven fabrics; Buying and selling scrap, metal and non-metal waste; Importing and exporting the Company's business items according to current regulations of the State./.

4. **Normal course of business cycle:** within 12 months.

5. **Characteristics of the business's operations during the three-month period that affect the interim combined financial statements:**

No.

6. **Structure of the Company:**

**Subsidiaries:**

<i>Company name</i>	<i>Head office address</i>	<i>Principal activities</i>	<i>Actual capital contribution ratio</i>	<i>Capital contribution rate according to Business Registration Certificate</i>
Nagakawa Investment and Development Technology Joint Stock Company	Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province	Retail, wholesale of electronic equipment and components, installation of air conditioning systems for construction projects	80%	80%
Nagakawa Da Nang Joint Stock Company	94 Nam Tran, Thanh Khe Tay Ward, Thanh Khe District, Da Nang City, Vietnam	Retail, wholesale of electronic equipment, components, household appliances	52%	52%
Nagakawa Ho Chi Minh City Joint Stock Company	25 Doan Thi Diem, Ward 01, Phu Nhuan District, Ho Chi Minh City, Vietnam	Retail, wholesale of electronic equipment, components, household appliances	51%	51%
Nagakawa Electronic Joint Stock Company	3rd Floor, Gold Tower Building, 275 Nguyen Trai, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi City, Vietnam	Retail, wholesale of electronic equipment, components, household appliances	51%	51 %
Viet Phuc Hung Yen Joint Stock Company	Vinh Bao Village, Vinh Khuc Commune, Van Giang District, Hung Yen Province, Vietnam	Started operating and continued investment in construction	97%	97%
Nagakawa High Technology Joint Stock Company	No. 56, Alley 92, Cau Buu Street, Residential Group 15, Kien Hung Ward, Ha Dong District, Hanoi	Information technology services and other services related to computers	55%	55%

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

**Joint ventures and associates:**

<i>Company name</i>	<i>Head office address</i>	<i>Principal activities</i>	<i>Actual capital contribution ratio</i>	<i>Capital contribution rate according to Business Registration Certificate</i>
KLW Vietnam Garment Joint Stock Company	Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam	Garment processing	48%	48%

**Dependent branch:**

<b>Branch name</b>	<b>Address</b>	<b>Principle activities</b>
Nagakawa Group Joint Stock Company – Hanoi branch	3rd Floor, Gold Tower Building, 275 Nguyen Trai, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi.	Retail, wholesale of electronic equipment, components, household appliances

7. **Statement on comparability of the interim combined financial statements:** The interim combined financial statements as at 31 March 2025 and for the three-month period then ended are completely consistent and ensure comparability with the interim combined financial statements for the three-month period ending at 31 March 2024 and the combined financial statements for the fiscal year ending 31 December 2024.

**II. FISCAL YEAR AND ACCOUNTING CURRENCY****1. Fiscal year**

The Company's fiscal year starts on 1 January and ends on 31 December.

**2. Accounting currency**

The currency used in accounting is Vietnamese Dong (VND) because revenue and expenditure are mainly in VND.

**III. ACCOUNTING STANDARD AND SYSTEM****1. Accounting system**

The Company applies the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and circulars guiding the implementation of accounting standards and system of the Ministry of Finance.

**2. Statement of Compliance with Accounting Standards and Accounting System**

The Management ensures that the requirements of the Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, as well as the circulars guiding the implementation of accounting standards and systems by the Ministry of Finance, have been fully complied with in the preparation of the Financial Statements.

**3. Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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### **IV. ACCOUNTING POLICIES**

#### **1. Basis of preparing combined financial statements**

The financial statements are prepared on an accrual basis (except for information related to cash flows).

The dependent branch form their own accounting apparatus and conduct independent accounting. The combined financial statements of the Company are prepared based on the combined of the financial statements of the dependent branch. Revenue and balances between dependent branch are eliminated when preparing the combined financial statements.

#### **2. Cash and cash equivalents**

Cash includes cash on hand, demand deposits in banks, monetary gold used for the purpose of storing value excluding gold classified as inventory used as raw materials for product manufacturing or goods for sale.

Cash equivalents are short-term investments with a maturity or due date of not more than 3 months from the date of purchase, easily convertible into a known amount of cash, and subject to insignificant risk of changes in cash.

#### **3. Exchange rates applied in accounting and principles for recording exchange rate differences**

The company has transactions in foreign currencies: USD.

Exchange rate differences arising during the period and those from the revaluation of foreign currency-denominated monetary items at the end of the period are recognized as income or expenses in the period. The revaluation of foreign currency-denominated balances at the end of the period is carried out in accordance with Circular 200/2014/TT-BTC dated 22 December 2014, issued by the Ministry of Finance.

Transactions in foreign currencies are converted at the exchange rate on the transaction date. The balances of foreign currency-denominated monetary items at the end of the period are revalued at the exchange rate on the financial period-end date.

Exchange rate differences arising during the period from foreign currency transactions of monetary items and those from the revaluation of foreign currency-denominated monetary items at the end of the period, after offsetting gains and losses, are recognized in financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate at the transaction date applied by the commercial bank where the Company conducts transactions. The exchange rate used to revalue the balances of foreign currency-denominated monetary items at the end of the period is the buying rate of the commercial bank or the average buying rate of commercial banks where the Company opens accounts at the end of the accounting period.

#### **4. Accounting principles for investments**

##### ***Held-to-maturity investments***

Investments are classified as held-to-maturity investments when the Company has both the intention and the ability to hold it until maturity. Held-to-maturity investments include term deposits (including treasury bills and promissory notes), bonds, preferred shares that the issuer is obligated to repurchase at a specific future date, and loans held to maturity for the purpose of earning periodic interest, as well as other held-to-maturity investments.

## NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

### NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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Held-to-maturity investments are initially recognized at cost, including the purchase price and any related transaction costs. After initial recognition, these investments are recorded at their recoverable value. Interest income from held-to-maturity investments after the purchase date is recognized in the Income Statement on an accrual basis. Interest earned before the Company acquires the investment is deducted from the initial cost at the time of purchase.

When there is conclusive evidence that a portion or the entire investment may not be recoverable, and the loss can be reliably measured, the loss is recognized as a financial expense for the period and directly deducted from the investment's value.

#### *Investments in subsidiaries, joint ventures, and associates*

##### *Subsidiaries*

Subsidiaries are companies controlled by the Company. Control is achieved when the Company has the ability to govern the financial and operating policies of the investee to derive economic benefits from its activities.

##### *Joint ventures*

Joint ventures are companies established based on a contractual agreement in which the Company and other participating parties undertake economic activities under joint control. Joint control means that strategic decisions related to the joint venture's financial and operating policies require unanimous consent from all participating parties.

##### *Associates*

Associates are companies in 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 decision-making regarding the financial and operating policies of the investee but does not include control over those policies.

Investments in subsidiaries, joint ventures, and associates are initially recognized at cost, including the purchase price or contributed capital, along with any directly attributable investment costs. If the investment is made using non-monetary assets, the investment cost is recorded at the fair value of the non-monetary assets at the transaction date.

Dividends and profits from periods before the investment acquisition are deducted from the investment's value. Dividends and profits from periods after the investment acquisition are recognized as revenue. Dividends received in the form of shares are only recorded as an increase in the number of shares held, without recognizing their value / are recorded at their par value.

A provision for impairment of investments in subsidiaries, joint ventures, and associates is recognized when these entities incur losses. The provision amount is determined as the difference between the actual contributed capital of all parties in the subsidiary, joint venture, or associate and the entity's actual equity, multiplied by the Company's ownership percentage relative to the total actual contributed capital. If the subsidiary, joint venture, or associate is required to prepare combined financial statements, the basis for determining the impairment provision is the combined financial statements.

Increases or decreases in the provision for impairment of investments in subsidiaries, joint ventures, and associates that need to be recognized at the financial period-end are recorded as financial expenses.

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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### **5. Trade receivables and other receivables**

Trade receivables and other receivables are recognized based on actual amounts incurred. Receivables are presented at their carrying amount, net of any allowance for doubtful debts.

The classification of receivables as trade receivables, internal receivables and other receivables is carried out according to the following principles:

- Trade receivables reflect trade-related receivables arising from purchase-sale transactions between the company and buyers who are independent parties from the Company, including receivables from entrusted export sales to other parties.
- Internal receivables represent amounts receivable from dependent units that do not have legal entity status and operate under the Company's accounting system.
- Other receivables reflect non-trade receivables that are not related to purchase-sale transactions.

A provision for doubtful debts is established for each doubtful receivable based on the overdue age of the debts or the estimated potential loss, as specified below:

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

For receivables that are not yet overdue but are unlikely to be recovered: the provision is established based on the estimated potential loss.

### **6. Inventories**

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

The cost of inventories is determined as follows:

- Raw materials, goods: include purchase costs and other directly attributable costs incurred to bring the inventory to its current location and condition.
- Finished goods include the cost of raw materials, direct labor, and related manufacturing overhead allocated based on normal operating capacity.
- Work-in-progress costs include only the costs of main raw materials, labor costs, depreciation of assets used in production activities, and other manufacturing overheads related to production operations.

Net realizable value is the estimated selling price of inventories in the normal course of production and business operations, minus the estimated costs of completion and the estimated costs necessary to sell them.

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

A provision for inventory devaluation is established for each inventory item whose cost exceeds its net realizable value. For unfinished services, the provision is determined based on each type of service with a separate pricing structure. Increases or decreases in the provision for inventory devaluation that need to be recognized at the financial year-end are recorded in cost of goods sold.

## NAGAKAWA GROUP JOINT STOCK COMPANY

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

### 7. Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the company to acquire the asset and bring it into a condition ready for use. Costs incurred after initial recognition are only added to the cost of tangible fixed assets if these costs are expected to result in future economic benefits from the use of the asset. Costs that do not meet this condition are immediately recognized as expenses.

When tangible fixed assets are sold or disposed of, the cost and accumulated depreciation are removed, and any resulting gain or loss from the disposal is recognized as income or expense in the period.

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

<u>Type of fixed assets</u>	<u>Number of years</u>
Buildings and structures	10 - 25
Machineries and equipment	06 – 10
Means of transportation	06 –08
Office equipment	03-05
Others	05

### 8. Intangible Assets

Intangible assets are presented at their cost less accumulated amortization.

The cost of an intangible asset includes all expenses incurred by the Company to acquire the asset until it is ready for use. Expenses related to intangible assets incurred after initial recognition are recognized as production or business expenses for the period, unless these costs are directly associated with a specific intangible asset and enhance its economic benefits.

When an intangible asset is sold or disposed of, its cost and accumulated amortization are removed from the books, and any resulting gain or loss from the disposal is recognized as income or expense in the year

The Company's intangible assets include:

#### *Computer software*

Costs related to computer software programs that are not integral to the associated hardware should not be capitalized. The cost of computer software is the total amount the Company has spent up until the software is ready for use. The computer software is amortized using the straight-line method over a period of 5 years.

### 9. Prepaid expenses

Prepaid expenses are recognized as costs that have been incurred but relate to the operating results of multiple accounting years, with these costs being allocated to the operating expenses of future accounting years.

#### *Tools and equipment*

Tools and equipment that are put into use are amortized over a straight-line basis with an allocation period not exceeding 3 years.

#### *Other prepaid expenses*

It refers to costs that serve multiple production periods and are allocated to the production periods over a period not exceeding 3 years.

## NAGAKAWA GROUP JOINT STOCK COMPANY

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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### 10. Construction in progress

Construction in progress reflects costs directly related (including interest expenses in accordance with the Company's accounting policy) to assets under construction, machinery and equipment being installed for production, leasing, and management purposes, as well as costs related to the repair of fixed assets under renovation. These assets are recorded at cost and are not subject to depreciation.

### 11. Payables and accrued

Payables and accrued expenses are recognized for amounts owed in the future related to goods and services that have been received. Accrued expenses are recognized based on reasonable estimates of the amounts payable.

The classification of payables as trade payables, accrued expenses, and other payables is carried out according to the following principles:

- Accounts payable to suppliers reflect trade payables arising from transactions involving the purchase of goods, services, and assets, where the supplier is an independent entity from the Company. This includes payables arising from imports through a consignee.
- Accrued expenses reflect amounts owed for goods or services received from the supplier or provided to the buyer but not yet paid due to the absence of invoices or incomplete accounting documentation. It also includes payables to employees for wages, vacation pay, and other production or business expenses that need to be accrued.
- Internal payables reflect amounts owed between the parent company and its dependent branches that do not have legal status and are dependent on the parent company's accounting system.

Other payables reflect amounts owed that are non-commercial in nature and not related to the purchase, sale, or provision of goods and services.

### 12. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, and the settlement of this obligation is expected to result in an outflow of economic benefits, with the value of the obligation being reliably estimated.

If the time value is material, the provision will be determined by discounting the future amount required to settle the obligation using a pre-tax discount rate, reflecting current market assessments of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as a financial expense.

The Company's provisions payable include:

#### *Provision for product warranties*

Provision for product warranties is made for each type of product or goods with warranty commitments.

The provision for product warranties is set at 0.5% - 1% of the revenue from the products and goods. This ratio is estimated based on historical warranty cost data from previous years and the weighted probability of all possible outcomes with their corresponding probabilities. Increases or decreases in the warranty provision that need to be recognized at the financial year-end are recorded as selling expenses.

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

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### **13. Borrowings and financial leases**

The company must closely monitor the repayment terms of borrowings and financial leases. Payable amounts with a repayment period of more than 12 months from the reporting date are classified as long-term borrowings and financial leases. Amounts due for repayment within the next 12 months from the reporting date are classified as short-term borrowings and financial leases to facilitate payment planning.

For financial leases, the total lease liabilities reflected on the credit side of account 341 is the total amount payable, calculated as the present value of the minimum lease payments or the fair value of the leased asset.

Borrowings and financial leases in foreign currencies must be converted into the accounting currency at the actual exchange rate at the transaction date;

- When repaying foreign currency borrowings and financial leases, the debit side of account 341 is converted according to the actual exchange rate recorded in the accounting books for each specific item;
- When preparing the financial statements, the balances of foreign currency borrowings and financial leases must be revalued according to the actual exchange rate at the reporting date.
- The exchange rate differences arising from the settlement and revaluation at the end of the period of foreign currency borrowings and financial leases are recognized in the financial income or financial expenses.

### **14. Owners' Equity**

#### ***Issued share capital***

Issued share capital is recognized based on the actual amount contributed by shareholders.

#### ***Share premium***

Share premium is recognized as the difference between the issue price and the par value of the shares when they are initially issued, when additional shares are issued, the difference between the reissue price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to the issuance of additional shares and the reissue of treasury shares are deducted from the share premium.

#### ***Other owners' capital***

Other owners' capital is formed from additions from business operations, asset revaluation, and the remaining value between the fair value of donated, gifted, or funded assets after deducting any related taxes payable (if applicable).

#### ***Treasury shares***

When the company repurchases its own shares, the amount paid, including related transaction costs, is recognized as treasury shares and reflected as a deduction in shareholders' equity. Upon reissue, the difference between the reissue price and the book value of the treasury shares is recorded under the "Share Premium".

### **15. Profit distribution**

The net profit after corporate income tax is distributed to shareholders after setting aside funds in accordance with the resolutions of the company's general meeting of shareholders and the regulations of the law.

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

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

### **16. Recognition of revenue and income**

#### ***Revenue from the sale of goods***

Revenue from the sale of goods are recognized when the following conditions are simultaneously met:

- The enterprise has transferred most of the risks and rewards associated with the ownership of the goods to the buyer.
- The enterprise no longer retains control over the goods as the owner or has control over the goods.
- The revenue is determined to be reasonably certain. When the contract stipulates that the buyer has the right to return the purchased products or goods under specific conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the goods (except in cases 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.
- The costs related to the sales transaction can be reliably estimated.

#### ***Revenue from service provision***

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

- The revenue is determined to be reasonably certain. When the contract specifies that the buyer has the right to return the purchased service under certain conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the provided service.
- There is a possibility of obtaining economic benefits from the service provision transaction.
- The portion of work completed as of the end of the financial year can be determined.
- The costs incurred for the transaction and the costs to complete the service provision transaction can be determined.

#### ***Interest income***

Interest income is recognized on an accrual basis and is determined based on the balance of deposit accounts and the actual interest rate for each period.

### **17. Accounting principles for revenue deductions**

Revenue deductions include: Trade discounts, sales discounts, and sales returns.

Trade discounts, sales discounts, and sales returns that occur in the same period as the sale of products, goods, or services are adjusted to reduce the revenue of the period in which they arise;

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In cases where products, goods, or services have been sold in previous periods, and trade discounts, sales discounts, or sales returns occur in a later period, the company is allowed to reduce revenue based on the principle of adjusting the revenue in the period in which the discount, allowance, or return is recognized:

+ If products, goods, or services that were consumed in previous periods require a price reduction, a trade discount, or are returned, but the events occur before the financial report is issued, accounting must treat this as an event requiring adjustment after the balance sheet date and reduce revenue in the financial statements of the reporting period (the previous period).

+ In the case where products, goods, or services are subject to price reductions, trade discounts, or returns after the financial report has been issued, the company must reduce the revenue of the period in which the event occurs (the subsequent period).

### **18. Cost of Goods Sold**

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

For direct material costs that exceed normal consumption, labor costs, and fixed production overheads that are not allocated to the value of goods in inventory, accounting must immediately include them in the cost of goods sold (after deducting any compensation, if applicable), even when the products or goods have not been recognized as sold.

The provision for inventory write-down is included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value and the original cost of the inventory. When determining the volume of inventory to be written down, accounting must exclude inventory that has been contracted for sale (with a net realizable value not lower than its carrying value) but has not yet been transferred to the customer, if there is reliable evidence that the customer will not withdraw from fulfilling the contract.

### **19. Financial expenses**

It reflects financial operating costs, including expenses or losses related to financial investment activities, loan and borrowing costs, joint venture and affiliate capital contribution costs, short-term securities disposal losses, securities transaction costs; provision for impairment of trading securities, provision for investment losses in other entities, losses arising from the sale of foreign currencies, and foreign exchange rate losses....

### **20. Selling expenses and administrative expenses**

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

Administrative expenses reflect the general management costs of the company, including expenses for the salaries of company management staff (wages, salaries, allowances, etc.); social insurance, health insurance, trade union funds, and unemployment insurance for the company's management staff; office materials, labor tools, and depreciation of fixed assets used for company management; land rent, business license tax; provisions for doubtful accounts receivable; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); and other cash expenses (entertainment, client meetings, etc...).

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### **21. Corporate income tax**

#### *Current income tax*

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

### **22. Financial instruments**

#### *a) Financial assets*

##### *Classification of Financial Assets*

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

##### *Financial assets are recognized at fair value through the income statement*

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

Financial assets are classified as held-for-trading securities if:

- Purchased or created primarily for the purpose of selling in the short term;
- The company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the company intends and has the ability to hold until maturity.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on the market.

##### *Ready-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 measured at fair value through profit or loss, held-to-maturity investments, or loans and receivables.

##### *The initial carrying amount of a financial asset*

Financial assets are recognized on the purchase date and derecognized on the sale date. At the initial recognition, the financial asset is determined at the purchase price/issuance cost plus any other costs directly attributable to the acquisition or issuance of the financial asset.

#### *b) Financial liabilities*

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

##### *Financial liabilities measured at fair value through profit or loss*

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

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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Financial liabilities are classified as held-for-trading securities if:

- Issued or created primarily for the purpose of repurchasing in the short term;
- The company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

### *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are determined by the initial carrying amount of the financial liability, less any principal repayments, plus or minus the cumulative amortization of the difference between the initial carrying amount and the maturity value, calculated using the effective interest method, less any impairments (either directly or through the use of a provision account) due to a decrease in value or non-recovery.

The effective interest method is the method used to calculate the amortized cost of a financial liability or group of financial liabilities and allocate interest income or expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows that will be paid or received throughout the expected life of the financial instrument, or shorter if necessary, to the net present value of the financial liability.

### *The initial carrying amount of a financial liability*

At initial recognition, financial liabilities are determined at the issue price plus any directly attributable costs incurred in issuing the financial liability.

### *c) Equity instruments*

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

## **23. Segment report**

A business segment is a distinguishable part that engages in the production or provision of goods or services and has risks and economic benefits that are different from those of other business segments.

A geographical segment is a distinguishable part that engages in the production or provision of goods or services within a specific economic environment and has risks and economic benefits that are different from those of business segments in other economic environments.

Segment report is presented in the combined Financial Statements.

## **24. Related parties**

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

In considering the relationship between related parties, the nature of the relationship is emphasized more than the legal form.

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

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	26,297,629,309	2,716,631,712
Cash at banks	11,522,933,369	7,561,305,967
Cash equivalents	50,000,000,000	50,000,000,000
<b>Total</b>	<b>87,820,562,678</b>	<b>60,277,937,679</b>

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

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Carring value</u>	<u>Cost</u>	<u>Carring value</u>
Term deposits (*)	318,263,069,802	318,263,069,802	314,875,185,547	314,875,185,547
<b>Total</b>	<b>318,263,069,802</b>	<b>318,263,069,802</b>	<b>314,875,185,547</b>	<b>314,875,185,547</b>

(\*) Deposits at banks with term from 3 months to less than 1 year:

+ Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch: VND 40,735,000,000.

+ Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch: VND 91,820,546,000.

+ Military Commercial Joint Stock Bank – Thang Long Branch - Le Trong Tan Transaction Office: VND 37,800,000,000.

+ Vietnam International Commercial Joint Stock Bank – Dong Da Branch: VND 32,500,000,000.

+ Joint Stock Commercial Bank for Foreign Trade of Vietnam – Hoang Mai Branch: VND 1,642,523,802.

+ Kasikorn Bank Public Company Limited – Ho Chi Minh Branch: VND 70,000,000,000.

+ Vietnam Export Import Commercial Joint - Stock Bank: VND 50,000,000,000.

These deposits are being used to secure loans with the above-mentioned banks. (Note V.18)

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

**3. Short-term trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b><i>Receivables from other parties</i></b>	<b><i>343,057,028,547</i></b>	<b><i>298,396,430,928</i></b>
Nagakawa Investment and Development Technology Joint Stock Company	-	353,265,000
Nagakawa Da Nang Joint Stock Company	30,315,062,147	24,025,983,543
Nagakawa Ho Chi Minh City Joint Stock Company	162,061,884,135	118,181,137,332
Nagakawa High Technology Joint Stock Company	68,284,800	91,093,200
Nagakawa Electronic Joint Stock Company	81,989,630,982	83,836,951,270
Viet Phuc Hung Yen Joint Stock Company	68,622,166,483	71,908,000,583
<b><i>Receivables from other parties (*)</i></b>	<b><i>296,636,394,360</i></b>	<b><i>217,008,109,532</i></b>
Anh Vu International Economic Development Co., Ltd	157,536,100,167	130,040,453,329
TI KI Trading One Member Company Limited	13,762,970	109,965,553
Investment Project Management Board for Civil and Industrial Construction of Hanoi	3,113,328,000	3,113,328,000
MK Vietnam Investment Joint Stock Company	11,820,787,843	10,439,011,043
An Thinh Phat Trading and Development Import Export Company Limited	193,869,500	193,869,500
Ngoc Nguyen Chau Refrigeration Joint Stock Company	31,888,700,717	10,241,458,468
Duc Thanh Trading One Member Company Limited	20,778,130,000	3,057,980,000
A2T Production and Trading Joint Stock Company	6,621,392,000	-
Others	64,670,323,163	59,812,043,639
<b>Total</b>	<b><u>639,693,422,907</u></b>	<b><u>515,404,540,460</u></b>

(\*) In which, the receivables from customers are provisioned as shown in Appendix No. 01.

**4. Short-term advances to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b><i>Advances to related parties</i></b>	<b><i>28,284,294,487</i></b>	<b><i>1,793,474,000</i></b>
Nagakawa Investment and Development Technology Joint Stock Company	28,284,294,487	1,793,474,000
<b><i>Advances to other suppliers</i></b>	<b><i>6,098,104,614</i></b>	<b><i>30,718,526,329</i></b>
NINGBO AUX ELECTRIC CO., LTD (Naga - USD)	445,180,359	-
HIGH ACE INDUSTRIES SDN.BHD	66,413,373	66,413,373
PENSEUR INDUSTRIES SDN BHD (587108-T)	-	6,404,962,305
HC Global Refrigeration Company Limited	911,236,350	6,528,221,900
Others	4,675,274,532	17,718,928,751
<b>Total</b>	<b><u>34,382,399,101</u></b>	<b><u>32,512,000,329</u></b>

(\*) In which, the advance balance are provisioned as shown in Appendix No. 01.

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

**5. Short-term loan receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Loan receivables from related parties</i>	<i>23,813,960,000</i>	<i>22,996,000,000</i>
KLW Vietnam Garment Joint Stock Company	23,813,960,000	22,996,000,000
<i>Loan receivables from other parties and individuals</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>23,813,960,000</b>	<b>22,996,000,000</b>

**6. Other short-term receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<i>1,305,860,051</i>	<i>1,062,208,221</i>
Interest receivables		
KLW Vietnam Garment Joint Stock Company	887,198,132	643,546,302
Viet Phuc Hung Yen Joint Stock Company	418,661,919	418,661,919
<i>Receivables from other parties and individuals</i>	<i>9,621,476,666</i>	<i>11,524,717,035</i>
Advance payments	92,961,891	93,504,179
Deposits	365,271,335	828,271,335
Interest receivables from term deposits and loans	5,973,467,640	3,187,475,611
Interest receivables from loans to individuals	3,189,699,000	3,189,699,000
Otherd	76,800	76,800
<b>Total</b>	<b>10,927,336,717</b>	<b>12,586,925,256</b>

**7. Inventories**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
Goods in transit	-	-	34,132,326,855	-
Raw materials	224,388,139,038	-	204,973,670,341	-
Tools and supplies	556,062,516	-	511,438,880	-
Work in progress	-	-	-	-
Finished goods	3,197,141,782	-	3,197,141,782	-
Merchandise	443,171,204,698	(3,284,993,434)	319,492,023,759	(3,284,993,434)
Goods on consignment	18,975,581,066	-	18,975,581,066	-
<b>Total</b>	<b>690,288,129,100</b>	<b>(3,284,993,434)</b>	<b>581,282,182,683</b>	<b>(3,284,993,434)</b>

**8. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Property insurance	111,552,294	56,541,161
Product conformity certification	72,463,099	36,728,494
Advertising signs, shelves and product display walls	2,881,863,670	1,460,695,362
Software maintenance fee	300,945,156	152,536,429
Electrical and electronic testing	639,291,567	324,029,980
Others	254,513,076	129,001,963
<b>Total</b>	<b>4,260,628,862</b>	<b>2,159,533,389</b>

# **NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

## **NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)**

as at 31 March 2025 and for the three-month period then ended

### **9. Tangible fixed assets**

	Buildings and structures	Machineries and equipment	Means of transportation	Office equipment	Others	Total
<b>Cost</b>						
Beginning balance	33,762,537,100	35,697,505,597	12,131,543,421	575,158,282	518,676,076	82,685,420,476
Newly purchase	<b>33,762,537,100</b>	<b>35,697,505,597</b>	<b>12,131,543,421</b>	<b>575,158,282</b>	<b>518,676,076</b>	<b>82,685,420,476</b>
<b>Ending balance</b>						
<i>In which: Fully depreciated but still in use</i>	6,579,842,240	28,247,666,444	1,207,990,181	356,168,280	426,753,076	36,818,420,221
<b>Accumulated depreciation</b>						
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 period	550,237,778	208,215,513	422,216,250	11,365,407	4,596,150	1,196,631,098
<b>Ending balance</b>	<b>26,749,648,584</b>	<b>29,751,954,478</b>	<b>9,701,086,540</b>	<b>479,156,309</b>	<b>484,970,976</b>	<b>67,166,816,887</b>
<b>Net carrying amount</b>						
Beginning balance	7,563,126,294	6,153,766,632	2,852,673,131	107,367,380	38,301,250	16,715,234,687
<b>Ending balance</b>	<b>7,012,888,516</b>	<b>5,945,551,119</b>	<b>2,430,456,881</b>	<b>96,001,973</b>	<b>33,705,100</b>	<b>15,518,603,589</b>

+ Some assets with the cost and net carrying amount of VND 70,292,398,839 and VND 14,114,771,713, respectively, are pledged at the Bank for Investment and Development of Vietnam – Hanoi Branch, including the entire factory used for air conditioner production.

+ Fixed assets are a Mercedes vehicle with license plate number 30F-840.98 and a Mercedes-Benz vehicle with license plate number 30F-798.91, with the cost and net carrying amount of VND 3,305,978,182 and VND 272,437,068, respectively. Additionally, a Mercedes vehicle with license plate number 30G-381.66, with the cost and net carrying amount of VND 3,799,952,727 and VND 951,690,681, respectively, are pledged at Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch to secure the credit limit of the Company.

## NAGAKAWA GROUP JOINT STOCK COMPANY

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as at 31 March 2025 and for the three-month period then ended

### 10. Intangible fixed assets

	Cost	Accumulated amortization	Net carrying amount
Cost	3,295,712,600	2,164,094,572	1,831,618,028
Beginning balance	-	147,302,085	(147,302,085)
Newly purchase	<u>3,295,712,600</u>	<u>2,311,396,657</u>	<u>1,684,315,943</u>

### 11. Construction in progress

	Beginning balance	Increase during the period	Transferred to tangible prepaid expenses	Ending balance
Purchase of fixed assets	-	-	-	-
Construction in progress	193,780,000	280,000,000	-	473,780,000
Advertising film production and brand identity	153,780,000	-	-	153,780,000
Warranty management software	-	280,000,000	-	280,000,000
Implementation of chemical prevention measures	40,000,000	-	-	40,000,000
Total	<u>193,780,000</u>	<u>280,000,000</u>	<u>-</u>	<u>473,780,000</u>

### 12. Long-term investments

	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
<b>A- Investment in subsidiaries</b>	<b>156,869,955,000</b>	<b>(7,457,286,258)</b>	<b>149,412,668,742</b>	<b>156,869,955,000</b>	<b>(7,457,286,258)</b>	<b>149,412,668,742</b>
Nagakawa Investment and Development Technology 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	(2,510,286,258)	89,713,742	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 Electronic 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
<b>B- Investment in joint ventures and associates</b>	<b>24,000,000,000</b>	<b>-</b>	<b>24,000,000,000</b>	<b>24,000,000,000</b>	<b>-</b>	<b>24,000,000,000</b>
KLW Vietnam Garment Joint Stock Company (7)	24,000,000,000	-	24,000,000,000	24,000,000,000	-	24,000,000,000
<b>C- Held-to-maturity investments</b>	<b>20,000,000,000</b>	<b>-</b>	<b>20,000,000,000</b>	<b>20,000,000,000</b>	<b>-</b>	<b>20,000,000,000</b>
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
<b>Total</b>	<b><u>200,869,955,000</u></b>	<b><u>(7,457,286,258)</u></b>	<b><u>193,412,668,742</u></b>	<b><u>200,869,955,000</u></b>	<b><u>(7,457,286,258)</u></b>	<b><u>193,412,668,742</u></b>

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

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(1) This is an investment in Nagakawa Investment and Development Technology Joint Stock Company. According to the third amended Business Registration Certificate No. 2500386108 dated 24 May 2018, Nagakawa Investment and Development Technology Joint Stock Company's charter capital is VND 12,000,000,000. The Company has fully contributed VND 9,600,000,000, equivalent to 80% of the charter capital.

(2) This is an investment in Nagakawa Da Nang Joint Stock Company. According to the first amended Business Registration Certificate No. 0401789381 dated 16 May 2018, Nagakawa Da Nang Joint Stock Company's charter capital is VND 5,000,000,000. The Company has fully contributed VND 2,600,000,000, equivalent to 52% of the charter capital.

(3) This is an investment in Nagakawa Ho Chi Minh City Joint Stock Company, According to the fourth amended Business Registration Certificate No. 0314005672, Nagakawa Ho Chi Minh City Joint Stock Company's charter capital is VND 9,700,000,000. The Company has fully contributed VND 4,947,000,000, equivalent to 51% of the charter capital.

(4) This is an investment in Nagakawa Electronic Joint Stock Company. According to the second amended Business Registration Certificate No. 0107952812, Nagakawa Electronic Joint Stock Company's charter capital is VND 20,000,000,000. The Company has fully contributed VND 10,200,000,000, equivalent to 51% of the charter capital.

(5) This is an investment in Viet Phuc Hung Yen Joint Stock Company, according to the following share purchase agreements:

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

+ According to 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 a par value of VND 10,000 per share, corresponding to 73.846% of the charter capital of Viet Phuc Hung Yen Joint Stock Company, with a transfer price of VND 43,199,910,000.

+ According to the Board of Directors' Resolution No. 27/2022/NQ-HĐQT-NAG dated 29 August 2022, approving the additional capital contribution by Nagakawa Group Joint Stock Company in proportion to its current ownership in Viet Phuc Hung Yen Joint Stock Company when this company increases its charter capital from VND 26,000,000,000 to VND 100,000,000,000. Accordingly, Nagakawa Group Joint Stock Company contributed an additional VND 71,723,000,000, equivalent to 717,230 shares, raising the total number of shares to 969,230 shares with a par value of VND 100,000 per share.

According to the third amended Business Registration Certificate No. 0900251422, Viet Phuc Hung Yen Joint Stock Company's charter capital of VND 100,000,000,000. The Company has purchased 969,230 shares, corresponding to VND 96,923,000,000 of charter capital, equivalent to 96.92% of the charter capital.

(6) This is an investment in Nagakawa High Technology Joint Stock Company, according to the first amended Business Registration Certificate No. 0110532695, Nagakawa High Technology Joint Stock Company's charter capital is VND 2,000,000,000. The company has fully contributed VND 1,100,000,000, equivalent to 55% of the charter capital.

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as at 31 March 2025 and for the three-month period then ended

(7) This is a capital contribution to KLV Vietnam Garment Joint Stock Company. According to the Board of Directors' Resolution No. 08/HĐQT/NQ-NAG dated 2 August 2024, the company has made an additional contribution of VND 12,000,000,000, bringing the total charter capital owned by the company in KLV Vietnam Garment Joint Stock Company to VND 24,000,000,000, representing 48% of the charter capital.

(8) These are bonds purchased from VietinBank – Thanh An Branch. According to the bond ownership certificate No. CTG2232T2/01-1269, these bonds have issuance date of 20 July 2023, and maturity date of 20 July 2033. The Company holds 200,000 bonds, with a total value of VND 20,000,000,000. These bonds are currently pledged for a loan at VietinBank – Thanh An Branch.

**13. Long-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Property insurance	111,552,294	56,541,161
Product conformity certification	72,463,099	36,728,494
Advertising signs, shelves and product display walls	2,881,863,670	1,460,695,362
Software maintenance fee	300,945,156	152,536,429
Electrical and electronic testing	639,291,567	324,029,980
Others	254,513,076	129,001,963
<b>Total</b>	<b>4,260,628,862</b>	<b>2,159,533,389</b>

**14. Short-term trade payables**

	<b>Ending balance</b>	<b>Beginning balance</b>
<i>Trade payables to related suppliers</i>	<i>2,880,000,000</i>	<i>1,440,000,000</i>
Viet Phuc Hung Yen Joint Stock Company	2,880,000,000	1,440,000,000
<i>Trade payables to other suppliers</i>	<i>372,164,492,094</i>	<i>146,462,947,738</i>
PENSEUR INDUSTRIES SDN BHD (587108-T)	129,979,472,195	-
Thang Long DTL Joint Stock Company	1,210,349,210	1,210,349,210
High - Technology Consultancy and Trading Comapny Limited	11,020,665,196	3,967,523,254
Others	229,954,005,493	141,285,075,274
<b>Total</b>	<b>375,044,492,094</b>	<b>147,902,947,738</b>

**15. Short-term advance from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
<i>Advances from related parties</i>	<i>1,052,183,164</i>	<i>3,471,566,449</i>
Nagakawa Investment and Development Technology Joint Stock Company	244,906,715	-
KLV Vietnam Garment Joint Stock Company	807,276,449	3,471,566,449
<i>Advances from other parties</i>	<i>5,384,113,580</i>	<i>5,369,649,132</i>
SH Vietnam Technical Construction Joint Stock Company	2,315,855,100	2,315,855,100
Others	3,068,258,480	3,053,794,032
<b>Total</b>	<b>6,436,296,744</b>	<b>8,841,215,581</b>

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

**16. Statutory obligations and receivables from the state**

	Beginning balance		Incurred during the period		Closing balance	
	Payables	Receivables	Payables for the period	Payment made	Payables	Receivables
Value added tax	10,677,395,410	-	-	(10,677,395,410)	-	-
Value added tax on imported goods	2,184,768,123	-	62,505,033,875	(64,689,801,998)	-	-
Special consumption tax	1,658,361,125	-	60,678,651,731	(60,644,161,367)	1,692,851,489	-
Import and export tax	-	-	124,916,366	(124,916,366)	-	-
Corporate income tax	6,505,926,601	-	7,045,005,247	-	13,550,931,848	-
Personal income tax	164,897,095	-	559,121,714	(476,843,759)	247,175,050	-
Land rental fee	-	-	424,167,986	-	424,167,986	-
Others	353,390,830	-	5,000,000	(5,000,000)	353,390,830	-
<b>Total</b>	<b>21,544,739,184</b>	<b>-</b>	<b>131,341,896,919</b>	<b>(136,618,118,900)</b>	<b>16,268,517,203</b>	<b>-</b>

***Value added tax***

The company pays value-added tax (VAT) under the credit-invoice method with a tax rate of 10%.

***Import and export tax***

The company declares and pays import and export tax according to Customs notice.

***Special consumption tax***

The company pays special consumption tax on air conditioning business activities which the air conditioners capacity under 90,000 BTU at a tax rate of 10%.

***Corporate income tax***

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

***Land rental fee***

Land rental fee is paid according to the notice of the tax authority.

***Other taxes***

The company declares and pays according to regulations.

**17. Accrued expenses**

	Ending balance	Beginning balance
Accrued interest expenses	-	2,412,592,042
Accrued sales discount and promotion expenses	5,854,065,619	2,407,500,000
Others	1,296,765,600	177,390,598
<b>Total</b>	<b>7,150,831,219</b>	<b>4,997,482,640</b>

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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**18. Short-term other payables**

	<u>Số cuối kỳ</u>	<u>Số đầu năm</u>
<i>Payables to related parties</i>	-	129,782,821
KLW Vietnam Garment Joint Stock Company – interest expense payables	-	129,782,821
<i>Payables to other companies and individuals</i>	72,583,606,608	1,452,265,388
Trade union funds	370,766,648	324,428,948
Dividends payables	1,018,118,040	1,018,118,040
Others	71,194,721,920	109,718,400
<b>Total</b>	<b>72,583,606,608</b>	<b>1,582,048,209</b>

**19. Short-term loans and finance leases**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Carrying amount</u>	<u>Payable amount</u>	<u>Carrying amount</u>	<u>Payable amount</u>
<i>Short -term loans from banks and individuals</i>	1,071,283,460,229	1,071,283,460,229	1,135,906,992,519	1,135,906,992,519
Short-term bank loans				
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (1)	369,812,013,008	369,812,013,008	385,276,762,665	385,276,762,665
Military Joint Stock Commercial Bank - Le Trong Tan Transaction Office (2)	61,694,740,610	61,694,740,610	79,963,217,714	79,963,217,714
Bank for Investment and Development of Vietnam - Hanoi Branch (3)	290,420,400,271	290,420,400,271	306,424,549,728	306,424,549,728
Vietnam International Commercial Joint Stock Bank - Dong Da Branch (4)	74,731,360,352	74,731,360,352	76,988,376,825	76,988,376,825
Kasikorn Bank Public Company Limited – Ho Chi Minh Branch (5)	198,900,315,168	198,900,315,168	187,337,034,666	187,337,034,666
Vietnam Export Import Commercial Joint Stock Bank (6)	75,724,630,820	75,724,630,820	99,917,050,921	99,917,050,921
<b>Total</b>	<b>1,071,283,460,229</b>	<b>1,071,283,460,229</b>	<b>1,135,906,992,519</b>	<b>1,135,906,992,519</b>

(1) It is a loan from the Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) – Thanh An Branch, according to the credit limit loan agreement number 0103/2024-HĐCVHM/NHCT320-NAG dated 8 March 2024, with a total loan limit and the balance of guarantees, L/Cs issued at any given time not exceeding VND 400,000,000,000. The duration of the credit limit is 12 months from the signing date of the contract. The loan term for each disbursement does not exceed 7 months. The purpose of the loan is to supplement working capital for business operations. The interest rate is specified in each promissory note. The loan agreement is secured by:

+ The ownership of the residential property and the right to use the residential land of the certificate No. 10111071095, the original record number 6586 2003 2640. 203, Decision No. QĐUB issued by the People's Committee of Hanoi City on 14 May 2002, to Ms. Dao Thi Soi and Mr. Nguyen Duc Kha, according to the Contract No. 02/2019/HĐBD/NHCT320-NAG dated 3 December 2019.

+ The land use rights for plot number 99, map sheet number 16, located at Dai Kim Ward, Hoang Mai District, Hanoi City, are granted under the land use rights certificate number AD537451, certificate number: 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 registration office of Hoang Mai District confirmed the transfer to Mr. Nguyen Duc Kha and Ms. Dao Thi Soi according to file number 1181 dated 14 April 2015, based on mortgage contract number 02/2020/HĐBD/NHCT320-NAG dated 2 November 2020.

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+ The bond issued by VietinBank (Vietnam Joint Stock Commercial Bank for Industry and Trade), bond code: CTG2232T2/01, with a total bond value of 20,000,000,000 VND, according to the bond pledge contract number: 2007/2023/HDBD/NHCT320-TP-NAGAKAWA established on 20 July 2023.

+ The machineries and equipment owned by KLV Vietnam Garment Joint Stock Company, according to the movable property mortgage contract number 2804/2021/HDBD/NHCT320-MAYMOCKLV dated 28 April 2021.

+ The Mercedes car, license plate number 30G-381.66, owned by Nagakawa Group Joint Stock Company, Hanoi Branch, according to the asset mortgage contract number 0309/2020/HDBD/NHCT320-NAGAKAWA signed on 19 October 2020.

+ The entire inventories owned by Nagakawa Group Joint Stock Company, with a value of VND 60,000,000,000, according to the asset valuation report dated January 30, 2018, and the goods mortgage contract number 01/2018/HĐTC/NHCT320-NAG-HTK signed on February 6, 2018. According to the amendment document to the goods mortgage contract number 01/2020/HDBD/NHCT320-NAG-HTK dated 21 January 2020, the parties agreed to re-evaluate the mortgaged asset value at VND 101,508,541,889.

+ The land use rights, ownership of the house, and other assets attached to the land with certificate number DE 216785, certificate registration number CS 31027, issued by the Department of Natural Resources and Environment of Hanoi City on 11 June 2022, are owned by Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong, according to the asset mortgage contract number 06/2022/HDBD/NHCT320-CANHOR1 signed on 6 July 2022. The mortgaged asset value is 8,815,000,000 VND.

+ The land use rights and assets attached to the land at address number 5, alley 105, Xa Dan 2 lane, Nam Dong Ward, Dong Da District, Hanoi, according to the Certificate of Ownership of the House and Land Use Rights number 3835/2009/QĐ-08 issued by the People's Committee of Dong Da District on 10 November 2009; owners: Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong.

+ The term deposit contract at Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) with a total value of VND 94,420,546,000 is currently being mortgaged at the bank.

(2) It is a loan from the Vietnam Military Joint Stock Commercial Bank – Dien Bien Phu Branch under the credit facility agreement number 257513.24.051.879737.TD dated 22 November 2024, with a credit limit value of VND 130 billion: a loan limit of VND 80 billion, a guarantee limit (excluding payment guarantees) of 50 billion VND, and an L/C issuance limit of 50 billion VND. The credit limit for the total of these limits is 80 billion VND; the loan and payment guarantee limit for the import of components/equipment for assembly is up to 30 billion VND. The credit limit validity period is until 21 October 2025, from the date of signing the contract, and the loan term is specified in the debt acknowledgment document but will not exceed 6 months. The loan purpose is to supplement working capital for the production and business activities of the customer in the fields of refrigeration, home appliances, and kitchen equipment. The interest rate, interest adjustment date, and interest adjustment period will be according to the debt acknowledgment document from the bank. The collateral includes:

+ The real estate according to the Land Use Rights Certificate number AI 272273 issued by the People's Committee of Hoang Mai District on 18 September 2007, to Ms. Dao Thi Soi.

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+ The right to claim debts arising from the payment requests, debt reconciliation confirmation records, and VAT invoices, as specified in the mortgage contract number 126540.23.051.879737.BD dated 7 April 2023.

+ The term deposit contract at the Vietnam Military Joint Stock Commercial Bank – Thang Long Branch - Le Trong Tan Transaction Office, with a total value of VND 37,800,000,000, is currently being mortgaged at the bank.

(3) It is a loan from the Vietnam Investment and Development Bank - Hanoi Branch under the credit facility agreement number 01/2024/367653/HĐTD dated 15 September 2024, with a total credit limit at any time not exceeding VND 400,000,000,000. The credit limit includes the entire short-term loan balance under the contract 01/2023/367653/HĐTD dated 22 September 2023. The credit limit validity period is 12 months from the date of signing the contract. The interest rate for the loan is specified in each debt acknowledgment document, and the overdue interest rate is 150% of the applicable interest rate. The principal loan amount is to be repaid in full on the loan maturity date according to each debt acknowledgment document. The loan contract is secured by:

+ The real estate numbered HD03-16, Vinhomes Riverside 2 Ecological Urban Area, Phuc Dong Ward, Long Bien District, Hanoi City, according to the Land Use Rights Certificate, House Ownership Rights, and Other Assets Attached to the Land number CT274326, certificate registration number CT-DA 00886, issued by the Department of Natural Resources and Environment of Hanoi City on 30 August 2019, is owned by Anh Vu International Economic Development Co., Ltd, a capital contributor (as per the mortgage contract number 02/2019/367653/HĐBĐ dated 18 September 2019).

+ The entire factory on the land at plot number 340, map sheet number 26, Phuc Thang Ward, Phuc Yen, Vinh Phuc, owned by the company, according to the real estate mortgage contract number 03/2019/367653/HĐBĐ dated 18 November 2019.

+ The land use rights and assets attached to the land at address number 5, alley 105, Xa Dan 2 lane, Nam Dong Ward, Dong Da District, Hanoi, according to the Certificate of Ownership of the House and Land Use Rights number 3835/2009/QĐ-08 issued by the People's Committee of Dong Da District on 10 November 2009; owners: Mr. Nguyen Manh Cuong and Ms. Nguyen Thi Huyen Thuong, according to the mortgage contract number 01/2020/367653/HĐBĐ.

+ The shares of Nagakawa Group Joint Stock Company owned by Mr. Nguyen Duc Kha, according to the pledge contract number 02/2020/367653/HĐBĐ dated 30 June 2020.

+ The entire factory on plot number 288, map sheet number 10, Vinh Khuc Commune, Van Giang District, Hung Yen Province, owned by Viet Phuc Hung Yen Joint Stock Company, is mortgaged according to the asset mortgage contract attached to the land number 01/2021/367653/HĐBĐ dated 26 May 2021.

+ A term deposit contract at Vietnam Investment and Development Bank - Hanoi Branch with a total value of 40.735,000,000 VND, which is currently pledged at the bank.

(4) It is a loan from the Vietnam International Joint Stock Commercial Bank – Dong Da Branch under contract number 7256129.24 dated 7 March 2024, with a credit limit not exceeding 80,000,000,000 VND. The credit limit validity period is 12 months from the effective date of the contract. The loan term for each debt is no more than 7 months. The loan purpose is to supplement working capital for the business activities of air conditioners, air conditioner components, kitchen equipment, and household appliances. The loan contract is secured by:

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+ The mortgage of receivables formed from Nagakawa Joint Stock Company in Ho Chi Minh City and Anh Vu International Economic Development Joint Stock Company, with a value of VND46,000,000,000.

+ The term deposit contract at Vietnam International Joint Stock Commercial Bank – Dong Da Branch, with a total value of VND 33.500.000.000, is currently being mortgaged at the bank.

(5) It is a loan from Kasikornbank Public Company Limited - Ho Chi Minh Branch under contract number 143/2023/FA.01 dated 27 December 2023, with a credit limit not exceeding VND 200,000,000,000. The validity period of the credit facility is 12 months from the effective date of the contract. The loan term for each debt is no longer than 03 months. The purpose of the loan is to supplement working capital for business activities related to air conditioners, air conditioner components, kitchen equipment, and household appliances. The loan contract is secured by:

+ A term deposit contract at Kasikornbank Public Company Limited - Ho Chi Minh Branch with a total value of 70,000,000,000 VND, which is currently pledged at the bank.

(6) It is a loan from Vietnam Export-Import Commercial Joint Stock Bank under contract number 1703LAV240112981 dated 10 October 2024, with a total credit limit of VND 200,000,000,000. The validity period of the credit facility is until 9 October 2025, from the effective date of the contract. The loan term for each debt is no longer than 06 months and is specifically stated in the Promissory Note. The purpose of the loan is to supplement short-term working capital for the production of household electrical appliances, air conditioners, and other products. The loan contract is secured by:

+ A term deposit contract at Vietnam Export-Import Commercial Joint Stock Bank with a total value of VND 50,000,000,000, which is currently pledged at the bank.

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The details of the movements in short-term loans and financial lease liabilities during the period are as follows:

	Beginning balance	Increase in the period	Payment made	Ending balance
<b>Short-term bank loans</b>	<b>1,135,906,992,519</b>	<b>689,115,608,694</b>	<b>(753,739,140,984)</b>	<b>1,071,283,460,229</b>
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (1)</i>	385,276,762,665	244,470,431,153	(259,935,180,810)	369,812,013,008
<i>Military Joint Stock Commercial Bank - Le Trong Tan Transaction Office (2)</i>	79,963,217,714	53,794,762,014	(72,063,239,118)	61,694,740,610
<i>Bank for Investment and Development of Vietnam - Hanoi Branch (3)</i>	306,424,549,728	159,218,799,701	(175,222,949,158)	290,420,400,271
<i>Vietnam International Commercial Joint Stock Bank - Dong Da Branch (4)</i>	76,988,376,825	35,199,880,615	(37,456,897,088)	74,731,360,352
<i>Kasikorn Bank Public Company Limited - Ho Chi Minh Branch (5)</i>	187,337,034,666	196,431,735,211	(184,868,454,709)	198,900,315,168
<i>Vietnam Export Import Commercial Joint Stock Bank (6)</i>	99,917,050,921	-	(24,192,420,101)	75,724,630,820
<b>Total</b>	<b>1,135,906,992,519</b>	<b>689,115,608,694</b>	<b>(753,739,140,984)</b>	<b>1,071,283,460,229</b>

### 20. Short-term provisions

	Beginning balance	Increase due to provisions made during the period	Amount used during the period	Amount reversed during the period	Closing balance
Product warranties	3,335,149,789		(667,973,414)		2,667,176,375
Construction warranties		-	-		-
<b>Total</b>	<b>3,335,149,789</b>	<b>-</b>	<b>(667,973,414)</b>	<b>-</b>	<b>2,667,176,375</b>

### 21. Welfare and bonus funds

	Beginning balance	Increase due to provisions from undistributed profits	Paymen made during period	Ending balance
Bonus fund	868,423,473	-	-	868,423,473
Welfare fund	336,233,580	-	-	336,233,580
<b>Total</b>	<b>1,204,657,053</b>	<b>-</b>	<b>-</b>	<b>1,204,657,053</b>

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**22. Owner's equity***a) Statement of changes in owner's equity*

	Issued share capital	Share premium	Treasury shares	Development investment fund	Undistributed earnings	Non-controlling interests
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
Dividend distribution in shares	25,312,280,000	-	-	-	(25,312,280,000)	-
Profit of previous year	-	-	-	-	26,142,820,143	26,142,820,143
Provision for funds	-	-	-	1,257,507,429	(1,760,510,401)	(503,002,972)
<b>Ending balance of previous year</b>	<b>341,777,690,000</b>	<b>5,348,010,000</b>	<b>(20,000)</b>	<b>9,550,061,788</b>	<b>68,513,332,487</b>	<b>425,189,074,275</b>
Beginning balance of this year	341,777,690,000	5,348,010,000	(20,000)	9,550,061,788	68,513,332,487	425,189,074,275
Issue employee stock ownership ("ESOP")	15,823,000,000	-	-	-	-	15,823,000,000
Profit of this period	-	-	-	-	26,015,175,129	26,015,175,129
<b>Ending balance</b>	<b>357,600,690,000</b>	<b>5,348,010,000</b>	<b>(20,000)</b>	<b>9,550,061,788</b>	<b>94,528,507,616</b>	<b>467,027,249,404</b>

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**b) Shares**

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of authorised shares	31,646,541	31,646,541
Number of issued shares	31,646,541	31,646,541
- Ordinary shares	31,646,541	31,646,541
Number of treasury shares	(2)	(2)
- Ordinary shares	(2)	(2)
Number of shares in circulation	31,646,539	31,646,539

The par value of outstanding shares: VND10,000.

**23. Off-balance sheet items****a, Foreign currencies**

	<u>Ending balance</u>	<u>Beginning balance</u>
US Dollar (USD)	290.24	290.24

**c, Bad debts written off**

Entity	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Reason yo write-off</u>
Tien Phong Newspaper Editorial Office	47,723,000	47,723,000	Uncollectible
Thuan An Company	525,607,000	525,607,000	Uncollectible
Phu Tai Private Company	283,250,000	283,250,000	Uncollectible
Nhat Anh Store	125,087,382	125,087,382	Uncollectible
Zhe Jiang Phidas Electric Appliance Manufacturing Company	104,612,027	104,612,027	Uncollectible
Trang An Technology and Trade Joint Stock Company	30,000,000	30,000,000	Uncollectible
<b>Total</b>	<u><u>1,116,279,409</u></u>	<u><u>1,116,279,409</u></u>	

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**VI. ADDITIONAL INFORMATION ON ITEMS PRESENTED IN THE COMBINED INCOME STATEMENT****1. Revenue from sales of goods and provision of services****a, Total revenue**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Total revenue	925,757,822,992	658,160,981,587
Revenue from sales of goods	920,771,921,407	522,585,477,893
Revenue from provision of services	4,985,901,585	2,013,976,755
Revenue deductions:	(2,096,647,819)	(845,670,340)
Trade discount	(2,096,647,819)	(80,638,522)
Sales returns	-	(765,031,818)
Sale discount	-	-
<b>Net revenue</b>	<b>923,661,175,173</b>	<b>657,315,311,247</b>
<i>In which:</i>		
Net revenue from sales of goods	918,675,273,588	521,739,807,553
Net revenue from provision of services	4,985,901,585	2,013,976,755

**b, Revenue from sales of goods and service provision to related parties**

	For the three-month period ended 31 March 2025
Anh Vu International Economic Development Company Limited	423,979,027,340
Nagakawa Investment and Development Technology Joint Stock Company	168,575,096,478
KLW Vietnam Garment Joint Stock Company	3,738,128,000
Nagakawa Da Nang Joint Stock Company	56,665,126,829
Nagakawa Electronic Joint Stock Company	31,550,860,000
Nagakawa Ho Chi Minh City Joint Stock Company	175,615,270,191
Viet Phuc Hung Yen Joint Stock Company	2,880,000,000
<b>Total</b>	<b>860,123,508,838</b>

**2. Cost of good sold**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Cost of goods sold	853,126,661,548	605,857,814,875
Cost of services rendered	2,145,594,929	1,359,696,919
<b>Total</b>	<b>855,272,256,477</b>	<b>607,217,511,794</b>

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as at 31 March 2025 and for the three-month period then ended

**3. Financial income**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Interest income from deposits, loans	1,249,623,703	3,458,961,035
Foreign exchange gains	127,110,518	171,317,659
<b>Total</b>	<b>1,376,734,221</b>	<b>3,630,278,694</b>

**4. Financial expenses**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Interest expense	13,492,987,194	17,557,038,197
Payment discount for buyers	963,636,364	1,908,854,499
Foreign exchange loss	173,969,830	340,366,255
<b>Total</b>	<b>14,630,593,388</b>	<b>19,806,258,951</b>

**5. Selling expenses**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Labor costs	3,189,671,146	2,888,043,119
Cost of materials and packaging	-	-
Tools and supplies	37,230,003	49,928,985
Depreciation and amortisation	652,024,410	700,437,561
Warranty costs	519,233,652	122,282,265
External service expenses	9,962,819,525	6,892,808,040
Others	545,384,636	1,086,896,466
<b>Total</b>	<b>14,906,363,372</b>	<b>11,740,396,436</b>

**6. General and administrative expenses**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Labor costs	4,920,689,925	3,832,327,351
Management material costs	-	-
Office supplies costs	72,616,536	109,389,902
Depreciation and amortisation	123,964,821	88,964,820
Taxes, fees and charges	5,000,000	5,000,000
External service expenses	700,134,441	785,278,221
Others	867,540,673	580,231,437
<b>Total</b>	<b>6,689,946,396</b>	<b>5,401,191,731</b>

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as at 31 March 2025 and for the three-month period then ended

**7. Other income**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Penalty received	20,340,000	-
Receipt from insurance claim	-	44,694,837
Others	4,017,363	137,738,315
<b>Total</b>	<b>24,357,363</b>	<b>182,433,152</b>

**8. Other expenses**

	For the three-month period ended 31 March 2025	For the three-month period ended 31 March 2024
Penalty expenses	-	13,387,616
Tax penalties and arrears	502,926,593	30,546,433
Others	155	37,051,246
<b>Total</b>	<b>502,926,748</b>	<b>80,985,295</b>

**9. Corporate income tax**

The corporate income tax expense for the period is estimated as follows:

	For the three-month period ended 31 March 2025
Accounting profit before tax	33,060,180,376
Adjustments to increase or decrease accounting profit to determine the taxable income for corporate income tax:	
- Adjustments to increase taxable income	2,164,845,858
- Adjustments to decrease taxable income	657,502,218
	1,507,343,640
<b>Taxable income</b>	<b>35,225,026,234</b>
Corporate income tax rate	20%
<b>Corporate income tax expenses</b>	<b>7,045,005,247</b>
Adjustment of corporate income tax expenses of previous years	-
<b>Total current corporate income tax expenses</b>	<b>7,045,005,247</b>

**10. Basic/diluted earnings per share**

The company does not report this item on the combined financial statements because, according to the regulations in Circular 200/2014/TT-BTC dated 22 December 2014, for parent companies that are joint-stock companies, this item is only presented on the combined financial statements, not on the parent company's separate financial statements.

**VII. OTHER INFORMATION****1. Transactions with related parties****A, Transactions with other related parties**

Other related parties of the Company include: subsidiaries, associates, jointly controlled entities, individuals owning, directly or indirectly, voting power in the Company and close members of their families, enterprises controlled by key management personnel and individuals owning, directly or indirectly, voting power in the Company and close members of their families.

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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**NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)**

as at 31 March 2025 and for the three-month period then ended

Related parties of the Company include:

<b>Related parties</b>	<b>Relationship</b>
Nagakawa Investment and Development Technology Joint Stock Company	Subsidiary
KLW Vietnam Garment Joint Stock Company	Associate
Nagakawa Da Nang Joint Stock Company	Subsidiary
Nagakawa Ho Chi Minh City Joint Stock Company	Subsidiary
Nagakawa Electronic Joint Stock Company	Subsidiary
Viet Phuc Hung Yen Joint Stock Company	Subsidiary
Nagakawa High Technology Joint Stock Company	Subsidiary

The main transactions that occurred during the year between the Company and other related parties are as follows:

	<b>For the three-month period ended 31 March 2025</b>
<b>Nagakawa Investment and Development Technology Joint Stock Company</b>	
Receivables from sales of goods	7,383,093,285
Cash receipt from sales of goods	7,981,265,000
Payables for purchase of goods	34,564,443,200
Cash payment for purchase of goods	76,705,000,000
<b>Nagakawa Electronic Joint Stock Company</b>	
Receivables from sales of goods and provision of warehouse rental service	23,279,488,452
Cash receipt from sales of goods	25,126,808,740
Payables for purchase of goods	156,808,740
Cash payment for purchase of goods	156,808,740
<b>Nagakawa Da Nang Joint Stock Company</b>	
Receivables from sales of goods	38,665,368,500
Cash receipt from sales of goods	32,376,289,896
<b>Nagakawa Ho Chi Minh City Joint Stock Company</b>	
Receivables from sales of goods	323,909,827,806
Cash receipt from sales of goods	280,029,081,003
<b>Viet Phuc Hung Yen Joint Stock Company</b>	
Receivables from sales of goods	134,708,165,900
Cash receipt from sales of goods	137,994,000,000
Payables for warehouse rental	1,440,000,000
<b>KLW Vietnam Garment Joint Stock Company</b>	
Receivables from sales of goods and provision of warehouse rental service	2,729,090,000
Cash receipt from sales of goods and provision of warehouse rental service	64,800,000
Interest paid	129,782,821
Loan granted	10,310,000,000
Cash receipt from loan granted	9,492,040,000
Interest income	373,434,651

## NAGAKAWA GROUP JOINT STOCK COMPANY

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### NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

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As of the end of the accounting period, the liabilities with related parties are disclosed in note V.3; V.4; V.5; V.6; V.15; V.16; V.19; V.20.

## 2. Financial Risk Management

The Company's operations give rise to the following financial risks: credit risk, liquidity risk, and market risk. The Board of Directors is responsible for establishing policies and controls to mitigate financial risks, as well as overseeing the implementation of the established policies and controls.

### A, Credit risk

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

The Company faces credit risks primarily arising from accounts receivable from customers and bank deposits.

#### *Accounts receivable from customers*

The Company minimizes credit risk by only engaging in transactions with financially stable entities, requiring the opening of letters of credit or securing assets for first-time or unknown financial entities. Additionally, the accounts receivable staff regularly monitors outstanding debts to expedite collections.

The Company's accounts receivable from customers are related to multiple entities and individuals, so the credit risk concentration for accounts receivable is low.

#### *Term deposits*

The Company's term and non-term bank deposits are placed at domestic banks. The Board of Directors does not perceive any significant credit risk from these deposits.

#### *Loans*

The Company lends money to its subsidiaries and key management members. These entities and individuals are all reputable and have good payment capacity, so the credit risk for the loans is low.

### B, Liquidity risk

Liquidity risk is the risk that the company faces difficulties in meeting its financial obligations due to a lack of cash.

The Board of General Directors is ultimately responsible for managing liquidity risk. The company's liquidity risk primarily arises from the mismatch in the maturity dates of financial assets and financial liabilities.

The Company manages liquidity risk by maintaining an appropriate amount of cash and cash equivalents, as well as loans at a level deemed sufficient by the Board of Directors to meet the Company's operational needs, in order to minimize the impact of cash flow fluctuations.

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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**NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)**

as at 31 March 2025 and for the three-month period then ended

The payment terms of the financial liabilities are based on the expected payments under the contracts, undiscounted, as follows:

	<b>Within 1 year</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Ending balance</b>				
Borrowing	1,071,283,460,229	-	-	1,071,283,460,229
Trade payables	375,044,492,094	-	-	375,044,492,094
Other payables	83,693,397,658	-	-	83,693,397,658
<b>Total</b>	<b>1,530,021,349,981</b>	<b>-</b>	<b>-</b>	<b>1,530,021,349,981</b>
<b>Beginning balance</b>				
Borrowing	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
<b>Total</b>	<b>1,295,546,272,908</b>	<b>-</b>	<b>-</b>	<b>1,295,546,272,908</b>

The Board of Directors believes that the level of concentration risk related to debt repayment is low. The Company has the ability to settle due debts through cash flows from operating activities and proceeds from maturing financial assets. The Company has access to sufficient sources of funding and loans maturing within 12 months can be rolled over with existing lenders.

**C, Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

Market risk includes three types: foreign exchange risk, interest rate risk, and other price risks.

*Foreign exchange risk*

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

The company imports raw materials for production and exports products with the main transaction currencies being USD, so it is affected by fluctuations in exchange rates.

The Company manages risks related to exchange rate fluctuations by optimizing debt payment terms, forecasting foreign exchange rates, maintaining a reasonable loan and debt structure between foreign currencies and VND, choosing the time to buy and pay foreign currencies at low exchange rates, and optimally using existing cash resources to balance exchange rate risks and liquidity risks.

*Commodity/raw material price risk*

The Company is exposed to the risk of fluctuations in commodity/raw material prices. The Company manages commodity/raw material price risk by closely monitoring relevant market information and situations to manage purchase timing, production planning and inventory levels appropriately.

The Company has not used derivative instruments to hedge commodity/raw material price risks.

**NAGAKAWA GROUP JOINT STOCK COMPANY**

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NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)

as at 31 March 2025 and for the three-month period then ended

**3. Fair value of financial assets and liabilities**

	Carrying value		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>Financial Assets</b>				
Cash and cash equivalents	87,820,562,678	60,277,937,679	87,820,562,678	60,277,937,679
Held-to-maturity investments	338,263,069,802	334,875,185,547	338,263,069,802	334,875,185,547
Accounts receivable from customers	639,693,422,907	515,404,540,460	639,693,422,907	515,404,540,460
Loans receivable	23,813,960,000	22,996,000,000	23,813,960,000	22,996,000,000
Other receivables	10,927,336,717	12,586,925,256	10,927,336,717	12,586,925,256
Financial assets ready for sale	173,412,668,742	173,412,668,742	173,412,668,742	173,412,668,742
<b>Total</b>	<b>1,273,931,020,846</b>	<b>1,119,553,257,684</b>	<b>1,273,931,020,846</b>	<b>1,119,553,257,684</b>
<b>Financial liabilities</b>				
Borrowing	1,071,283,460,229	1,135,906,992,519	1,071,283,460,229	1,135,906,992,519
Payables to suppliers	375,044,492,094	147,902,947,738	375,044,492,094	147,902,947,738
Other payables	83,693,397,658	11,736,332,651	83,693,397,658	11,736,332,651
<b>Total</b>	<b>1,530,021,349,981</b>	<b>1,295,546,272,908</b>	<b>1,530,021,349,981</b>	<b>1,295,546,272,908</b>

The fair value of financial assets and financial liabilities is reflected at the value that the financial instrument could be exchanged for 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 and cash equivalents, trade receivables, loans, other receivables, borrowings, payables to suppliers and other short-term payables is equivalent to the book value (less the provision for the estimated uncollectible portion) of these items due to their short maturity.
- The fair value of held-to-maturity investments and ready-for-sale financial assets listed on the stock market is the published transaction price at the end of the accounting period. For unlisted held-to-maturity investments and ready-for-sale financial assets with transaction prices published by 3 securities companies at the end of the accounting period, the fair value of these investments is the average price based on the transaction prices published by 3 securities companies..
- The fair value of loans, trade receivables, other receivables, borrowings, trade payables and other long-term payables, held-to-maturity investments that are not listed on the stock market and do not have a trading price announced by 3 securities companies is estimated by discounting cash flows at the interest rate applicable to debts with similar characteristics and remaining maturity.

## **NAGAKAWA GROUP JOINT STOCK COMPANY**

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as at 31 March 2025 and for the three-month period then ended

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The Company has not yet conducted an official valuation of unlisted available-for-sale financial assets and there are no published trading prices of the three securities companies. However, the Board of Directors assesses that the fair value of these financial assets is not materially different from the carrying value.

28 April 2025

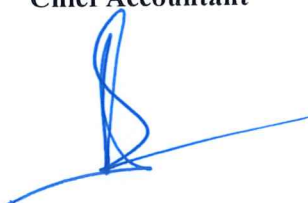
**Prepared by**



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**Trung Binh Duong**

**Chief Accountant**



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**Trinh Thi Phuong**

**General Director**



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**Nguyen Thi Huyen Thuong**

# **NAGAKAWA GROUP JOINT STOCK COMPANY**

Address: Xuan Thuong 1 Residential Group, Phuc Thang Ward, Phuc Yen City, Vinh Phuc Province, Vietnam

## **NOTE TO THE INTERIM COMBINED FINANCIAL STATEMENTS (Continued)**

as at 31 March 2025 and for the three-month period then ended

### **Appendix 01: Details of bad debts and provisions for short-term doubtful debts**

	Ending balance		Beginning balance	
	Overdue period	Cost	Overdue period	Cost
<b>Short-term trade receivables</b>				
Nagakawa Home Appliances Joint Stock Company	Bad debt	86,925,000	Bad debt	86,925,000
Investment and Construction Joint Stock Company No. 4	Bad debt	355,675,942	Bad debt	355,675,942
<b>Advance to suppliers</b>				
Hoan Kiem Refrigeration Engineering Joint Stock Company	Bad debt	1,300,951,400	Bad debt	1,300,951,400
Nagakawa Home Appliances Joint Stock Company	Bad debt	154,815,000	Bad debt	154,815,000
Viet Nam Architecture and Culture Joint Stock Company	Bad debt	506,373,900	Bad debt	506,373,900
Bach Khoa Heat Refrigeration Technology Joint Stock Company	Bad debt	56,700,000	Bad debt	56,700,000
Vitech Automation Equipment Joint Stock Company	Bad debt	156,765,699	Bad debt	156,765,699
Guangdong Sky bright Group Co.,Ltd	Bad debt	377,031,887	Bad debt	377,031,887
Kelon International Inc	Bad debt	96,799,409	Bad debt	96,799,409
VIETPICTURES AUTO Joint Stock Company	From 1 to 2 years	17,230,400	From 6 months to 1 year	17,230,400
<b>Total</b>		<b>3,109,268,637</b>		<b>3,109,268,637</b>
				<b>3,100,653,437</b>