

No.: 1208/2025/GT-BCTC

Hanoi, August 12, 2025

Re: Explanation Regarding the
Reviewed Financial Statements for
the Accounting Period Ended June
30, 2025

To:

- The State Securities Commission;
- The Hanoi Stock Exchange (HNX)
- Name of company: CNC Capital Viet Nam Joint Stock Company
- Stock symbol: KSQ
- Head office: No. 6, Lane 54, Le Quang Dao Street, Tu Liem Ward, Hanoi
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Pursuant to Clause 4, Article 11 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, CNC Capital Vietnam Joint Stock Company hereby provides an explanation of the reviewed financial statements for the accounting period ending June 30, 2025, as follows:

1. Explanation regarding the auditor's opinion:

Qualified Opinion: As of June 30, 2025, the Company's accumulated loss amounted to VND 40,528,095,871, with short-term liabilities exceeding short-term assets by VND 9,542,886,644. The Company is facing a working capital shortage to settle its due debts. As of June 30, 2025, the Company also has overdue bank loan principal amounting to VND 32,925,000,000 and estimated bank loan interest payable of VND 11,524,589,013. These factors raise doubts about the Company's ability to continue as a going concern. The Company's ability to continue operations depends on future profits from business cooperation projects and financial support commitments from the Company's owners. We were unable to obtain sufficient appropriate evidence regarding these operational plans. Consequently, we are unable to determine whether the accompanying financial statements, prepared on the going concern basis, are appropriate. The Company's interim financial statements for the six-month period ending June 30, 2025, are still presented on the assumption of continued operations.

Explanation: Since 2024, pursuant to Resolution No. 01/2024/NQ-ĐHĐCĐ-CNC dated April 26, 2024, of the General Meeting of Shareholders, the Company has officially expanded its investment into the production, assembly, and trading of medical equipment, medical consumables, specialized medical plastics, electronic components, and household appliances. Specifically, this includes the project: "Investment in acquiring an assembly line for kidney dialysis filters."

According to the plan, the procurement of equipment and installation of the production line will span 12 months, with production expected to commence in August 2025. Therefore, during the installation phase, the Company has not yet recorded revenue from this project.



Profits from current business activities have not been sufficient to cover operating costs, resulting in a loss as of June 30, 2025.

However, the Company remains committed to fully and timely settling its debts and financial obligations. In the first six months of 2025, the Company has actively repaid bank loans, with the total value of repaid debts increasing by 1.57 times compared to the same period in 2024. The management is making efforts to accelerate the completion of the production line and initiate business operations to generate stable profits while effectively addressing necessary debts and expenses.

With the determination of the Board of Directors and all employees, the Company is confident that it will fulfill its financial obligations and achieve stable, sustainable development in the coming year.

2. Profit After Corporate Income Tax in the Reporting Period's Income Statement Changed by 10% or More Compared to the Same Period Last Year; the Period-End Business Result is a Loss; and Transitioned from a Profit in the Same Period Last Year to a Loss in This Period

Profit after tax in the reviewed financial statements for the accounting period ending June 30, 2024: VND 708.466.429

Profit after tax in the reviewed financial statements for the accounting period ending June 30, 2025: VND (4.223.314.476)

Difference: VND 4,931,780,905

In the Income Statement for the accounting period ending June 30, 2025, the Company recorded a loss after corporate income tax. Additionally, there was a shift from a profit to a loss compared to the same period in the previous year, with the change exceeding 10%.

Reasons for the Change:

As outlined in the previous explanation, in 2024, the Company initiated the "Investment in the Kidney Dialysis Filter Assembly Line Project." As of the reporting date, this project is still in the phase of equipment procurement and system installation, and has not yet commenced production or generated revenue. Meanwhile, income from other business activities has not been sufficient to cover operating costs, resulting in a loss for this period.

In the same period of the previous year, the Company had not yet incurred investment costs for the aforementioned project and had recorded income from profits of business cooperation investments, resulting in a profit after tax.

Consequently, the financial performance for this period shows a significant change, exceeding 10%, and a transition from a profit to a loss compared to the same period in the previous year.

The above is the Company's explanatory report regarding the reviewed Financial Statements for the accounting period ending June 30, 2025.

Sincerely./.

Recipients:

- As above;
- Board of Directors; Management Board; Supervisory Board;
- Administration Department.

**CNC CAPITAL VIET NAM
JOINT STOCK COMPANY**

(Signature, full name and seal -if any)



CHỦ TỊCH HĐQT
Trần Việt Hùng

