



HAI PHONG ELECTRICAL MACHANICAL JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2025

- | | | | |
|-------------|----------------|----------------------|--|
| • Kiểm toán | • Tư vấn Thuế | • Tư vấn Tài chính | • Thẩm định giá và xác định giá trị doanh nghiệp |
| • Audit | • Tax advisory | • Financial advisory | • Valuation |

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hai Phong Electrical Machanical Joint Stock Company (the “Company”) presents this report together with the Company’s financial statements for the year ended 31 December 2025.

BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS

The members of the Board of Management and the Board of General Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Mr. Hoang Thanh Hai	Chairman
Mr. Mai Van Minh	Vice Chairman
Ms. Le Thi Bich Hue	Member
Ms. Trinh Thi Lan Phuong	Member
Mr. Nguyen Minh Chung	Member

Board of General Directors

Mr. Mai Van Minh	General Director
Mr. Nguyen Minh Chung	Deputy General Director

Legal representative

The legal representative of the Company during the year and to the the date of this report is Mr. Mai Van Minh - General Director.

BOARD OF GENERAL DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of General Directors is responsible for preparing financial statements which give a true and fair view of the financial position, its financial performance, and its cash flows of the Company for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Pprepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (CONTINUED)

In the Board of General Directors' opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

For and on behalf of the Board of General Directors,



Mai Van Minh
General Director
Hai Phong, 18 March 2026

No.: 066 /VACO/BCKiT.NV2

INDEPENDENT AUDITORS' REPORT

To: Shareholders, Board of Management and Board of General Directors
Hai Phong Electrical Mechanical Joint Stock Company

We have audited the accompanying financial statements of Hai Phong Electrical Mechanical Joint Stock Company (the "Company") prepared on 18 March 2026 as set out from page 4 to page 30, which comprise the balance sheet as at 31 December 2025, the income statement, the cash flow statement for the year then ended, and the notes to the financial statements (collectively referred to as the "financial statements").

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of General Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

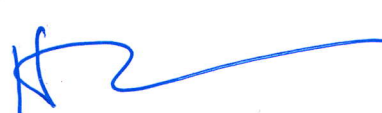
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Chu Mạnh Hoàn
Deputy General Director
Audit Practising Registration Certificate
No. 1403-2023-156-1
For and on behalf of
VACO AUDITING COMPANY LIMITED
Hanoi, 18 March 2026


Vu Manh Hung
Auditor
Audit Practising Registration Certificate
No. 2737-2023-156-1

BALANCE SHEET
As at 31 December 2025

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A - CURRENT ASSETS	100		153,060,571,537	133,383,898,878
I. Cash and cash equivalents	110	5	15,166,072,684	12,360,154,682
1. Cash	111		6,166,072,684	2,360,154,682
2. Cash equivalents	112		9,000,000,000	10,000,000,000
II. Short-term financial investments	120	6	2,000,000,000	2,000,000,000
1. Held-to-maturity investments	123		2,000,000,000	2,000,000,000
III. Short-term receivables	130		8,958,176,253	9,758,700,349
1. Short-term trade receivables	131	7	3,344,471,100	6,720,507,634
2. Short-term advances to suppliers	132	8	4,770,547,518	1,993,394,256
3. Other short-term receivables	136	9	1,339,575,043	1,541,215,867
4. Provision for short-term doubtful debts	137	10	(496,417,408)	(496,417,408)
IV. Inventories	140	11	126,326,105,029	108,902,943,341
1. Inventories	141		126,326,105,029	108,902,943,341
V. Other short-term assets	150		610,217,571	362,100,506
1. Short-term prepayments	151	12	150,751,709	155,712,279
2. Value added tax deductibles	152		431,975,805	206,388,227
3. Taxes and other receivables from the State budget	153	17	27,490,057	-
B - NON-CURRENT ASSETS	200		55,922,640,534	61,027,029,769
I. Fixed assets	220		35,159,473,574	40,104,018,542
1. Tangible fixed assets	221	13	35,159,473,574	40,104,018,542
- Cost	222		112,723,396,007	112,670,196,007
- Accumulated depreciation	223		(77,563,922,433)	(72,566,177,465)
2. Intangible fixed assets	227	14	-	-
- Cost	228		120,000,000	120,000,000
- Accumulated amortisation	229		(120,000,000)	(120,000,000)
II. Long-term financial investments	250	6	20,039,000,000	20,039,000,000
1. Investments in joint ventures and associates	252		20,039,000,000	20,039,000,000
III. Other long-term assets	260		724,166,960	884,011,227
1. Long-term prepayments	261	12	724,166,960	884,011,227
TOTAL ASSETS (270 = 100 + 200)	270		208,983,212,071	194,410,928,647

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (CONTINUED)

As at 31 December 2025

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C - LIABILITIES	300		31,714,236,581	20,000,729,018
I. Current liabilities	310		31,714,236,581	20,000,729,018
1. Short-term trade payables	311	15	6,595,478,814	5,505,885,096
2. Short-term advances from customers	312	16	5,480,224,272	639,899,427
3. Taxes and amounts payable to the State budget	313	17	1,694,318,249	1,105,874,460
4. Payables to employees	314		3,911,157,759	4,011,858,548
5. Short-term accrued expenses	315	18	275,047,349	343,035,162
6. Other current payables	319		454,545	-
7. Short-term loans and obligations under finance leases	320	19	8,959,483,904	3,873,635,391
9. Bonus and welfare funds	322		4,798,071,689	4,520,540,934
D - EQUITY	400		177,268,975,490	174,410,199,629
I. Owner's equity	410	20	177,268,975,490	174,410,199,629
1. Owner's contributed capital	411		94,922,000,000	94,922,000,000
- Ordinary shares carrying voting rights	411a		94,922,000,000	94,922,000,000
2. Investment and development fund	418		14,946,973,192	13,874,610,335
3. Retained earnings	421		67,400,002,298	65,613,589,294
- Retained earnings accumulated to the prior year end	421a		54,272,729,304	52,408,875,072
- Retained earnings of the current year	421b		13,127,272,994	13,204,714,222
TOTAL RESOURCES (440 = 300 + 400)	440		208,983,212,071	194,410,928,647



Le Thi Nhung
Preparer
Hai Phong, 18 March 2026



Trinh Thi Lan Phuong
Chief Accountant




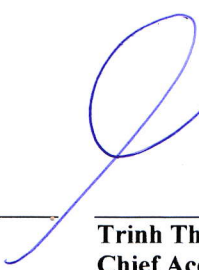

Mai Van Minh
General Director

INCOME STATEMENT
For the year ended 31 December 2025

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year (Restated)
1. Gross revenue from goods sold and services rendered	01		230,862,668,782	238,935,229,455
2. Revenue deductions	02		1,069,628,481	1,152,752,408
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10	22	229,793,040,301	237,782,477,047
4. Cost of goods sold and services rendered	11	23	197,312,449,282	202,716,554,156
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		32,480,591,019	35,065,922,891
6. Financial income	21	25	3,575,052,412	2,896,665,214
7. Financial expenses	22	26	2,195,946,116	5,016,695,367
- In which: Interest expense	23		188,465,947	162,301,300
8. Selling expenses	25	27	3,755,190,634	4,045,614,824
9. General and administration expenses	26	27	14,079,396,243	14,391,893,603
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		16,025,110,438	14,508,384,311
11. Other income	31	28	98,105,642	1,697,575,935
12. Other expenses	32		1,624,837	67,469
13. Profit from other activities (40 = 31 - 32)	40		96,480,805	1,697,508,466
14. Accounting profit before tax (50 = 30 + 40)	50		16,121,591,243	16,205,892,777
15. Current corporate income tax expense	51	29	2,994,318,249	3,001,178,555
16. Net profit after corporate income tax (60 = 50 - 51)	60		13,127,272,994	13,204,714,222
17. Basic earnings per share	70	30	1,383	1,335


Le Thi Nhung
Preparer
Hai Phong, 18 March 2026


Trinh Thi Lan Phuong
Chief Accountant


Mai Van Minh
General Director



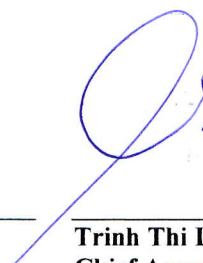
CASH FLOW STATEMENT
(Indirect method)
For the year ended 31 December 2025

Unit: VND

ITEMS	Codes	Current year	Prior year (Restated)
I. Cash flows from operating activities			
1. Proceeds from sales, services rendered and other revenue	01	237,544,912,411	237,301,808,755
2. Payments to suppliers	02	(204,975,044,461)	(183,051,295,407)
3. Payments to employees	03	(18,515,655,300)	(18,897,280,613)
4. Interest paid	04	(176,456,714)	(194,317,130)
5. Corporate income tax paid	05	(2,401,178,555)	(3,339,158,539)
6. Other cash inflows	06	1,515,898,853	1,264,356,700
7. Other cash outflows	07	(7,743,013,932)	(10,772,223,005)
Cash flow generated from (used in) operating activity	20	5,249,462,302	22,311,890,761
II. Cash flow generated from (used in) investing activity			
1. Acquisition and construction of fixed assets and other long-term assets	21	(668,200,000)	(543,669,400)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	10,000,000	50,700,000
3. Cash outflow for lending, buying debt instruments of other entities	23	(21,500,000,000)	(7,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	21,500,000,000	17,000,000,000
5. Interest earned, dividends and profits received	27	2,628,171,001	2,059,991,622
Net cash flow generated from (used in) investing activity	30	1,969,971,001	11,567,022,222
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	75,944,182,734	30,214,686,553
2. Repayment of borrowings	34	(70,858,334,221)	(47,717,182,595)
3. Dividends and profits paid	36	(9,492,200,000)	(9,492,200,000)
Net cash generated by/(used in) financing activities	40	(4,406,351,487)	(26,994,696,042)
Net increase/(decrease) in cash (50 = 20 + 30 + 40)	50	2,813,081,816	6,884,216,941
Cash and cash equivalents at the beginning of the year	60	12,360,154,682	5,478,280,430
Effects of changes in foreign exchange rates	61	(7,163,814)	(2,342,689)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	15,166,072,684	12,360,154,682



Le Thi Nhung
Preparer
Hai Phong, 18 March 2026



Trinh Thi Lan Phuong
Chief Accountant




Mai Van Minh
General Director

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Ownership structure

Hai Phong Electrical Mechanical Joint Stock Company (hereinafter referred to as “the Company”) was granted the first Business Registration Certificate No. 0203000691 dated 13 January 2004 issued by Hai Phong Department of Planning and Investment; the 9th amended Business Registration Certificate dated 13 October 2025. The Company is headquartered at 734 Nguyen Van Linh, An Bien, Hai Phong.

The Company’s charter capital according to Business Registration Certificate is VND 94,922,000,000.

The number of employees as at 31 December 2025 was 143 (as at 31 December 2024: 172).

Operating industry and principal activities

The Company’s operating industry:

- Manufacture of household electrical appliances;
- Agency, brokerage, and auction services;
- Manufacture of motors, generators, transformers, electrical distribution, and control equipment;
- Manufacture of other general-purpose machinery;
- Short-term accommodation services;
- Restaurants and mobile food service activities;
- Travel agency services;
- Support services related to tourism promotion and tour organization;
- Wholesale of other household goods;
- Wholesale of other machinery, equipment, and spare parts;
- Wholesale of metals and metal ores;
- Retail of household electrical appliances, furniture, and home furnishings;
- Road freight transport;
- Inland water passenger transport;
- Inland water freight transport;
- Warehousing and storage services;
- Manufacture of plastic products.

The Company’s principal activities: Manufacture and trade of all kinds of civil fans, industrial fans and fan cages.

Normal production and business cycle

The Company’s normal production and business cycle is carried out for a period of 12 months or less.

Declaration on comparability of information on financial statements

The information in the Company’s financial statements is comparable.

Company’s structure

As at 31 December 2025, the associate of the Company is as follows:

Name	Place of incorporation (registration) and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
Phong Lan Investment Trading and Service Company Limited	Hai Phong	49%	49%	Real estate business

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

2. FINANCIAL YEAR, APPLIED ACCOUNTING STANDARD AND REGIME

Financial year

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

Applied accounting regime

The Company applied Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC and circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

Declaration of compliance with accounting standard and accounting regime

The Board of General Directors ensures to comply with the requirements of Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparation of financial statements.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

3. NEWLY ISSUED ACCOUNTING GUIDELINES BUT NOT YET APPLIED

On 27 October 2025, the Ministry of Finance issued Circular No. 99/2025/TT-BTC ("Circular 99") guiding the accounting regime for enterprises. This Circular shall take effect from 1 January 2026 and will be applied to financial years beginning on or after 1 January 2026. This Circular replaces Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises, Circular No. 75/2015/TT-BTC dated 18 May 2015 of the Ministry of Finance amending and supplementing Article 128 of Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance, and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing a number of Articles of Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. The Board of General Directors is assessing the impact of the application of Circular 99 on the Company's future financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on a time basis (except for information relating to cash flows).

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results may differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation and recognition at fair value

The Law on Accounting came into effect from 1 January 2017, which included regulations on evaluation and recognition at fair value. However, there is no specific instruction for this matter; therefore, the Board of General Directors has considered and applied as follows:

- a) *Financial instruments are recognized and revaluated at fair value based on historical cost less provisions (if any) in accordance with current regulations.*
- b) *Monetary items denominated in foreign currencies shall be evaluated based on the actual exchange rates;*
- c) *For assets and liabilities (except items a and b as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.*

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, financial investments, trade receivables, and other receivables.

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade payables, accrued expenses, and borrowings.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial investments

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in associates are made in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance on guiding accounting regime for enterprises and prevailing accounting regulations.

Provision for loss of investments in associates is made when the associates are incurred the loss as equal as the difference between the actual contributed capital of parties in associates and the actual equity multiplied by the percentage of capital contribution between controlling company and its parties.

The change of provision for loss of investments in associates need to be made at the balance sheet date and are recorded in financial expenses.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Inventories are recorded using the perpetual method.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise tools and supplies issued for use, insurance premiums, repair costs, machinery and tools that are not eligible for recognition as fixed assets and are reclassified with an allocation period of no more than 3 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives as follows:

	<u>Years of depreciation</u>
Buildings and structures	10 - 32
Machinery and equipment	2 - 10
Motor vehicles	6 - 10
Management equipment	3 - 5

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Intangible fixed assets and amortization

Intangible fixed assets represent computer software which is stated at cost less accumulated amortization. Computer software is amortized using the straight-line method over five years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Payables and accrued expenses

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

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

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the Company.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

Profit distribution

Profit after tax is distributed and funds are made in accordance with the decision of the General Meeting of Shareholders and the Company's charter.

Profit distribution to shareholders is referenced to the non-monetary items included in retained earnings that may affect cash flows and the ability to pay dividends such as gains from revaluation of assets contributed capital, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities when having the approval of the General Meeting of Shareholders.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Related parties

Parties are considered to be related parties when one party has ability to control another or has significant influence in making decision related to financial and operation policies. Parties are also considered as related parties when they bare the same control and significant influence.

When considering the relationship of related parties, it is more focused on the nature of the relationship than the legal form.

List of related parties during the year:

Related parties	Relationship
Board of Management, Board of General Directors, Board of Supervisors and Chief Accountant	Key Leaders
Phong Lan Investment Trading and Service Company Limited	Associate
Ms. Nguyen Thu Ha	Significant shareholder - Relative of the Chairman of the Board of Management

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	255,822,792	768,543,641
Demand deposits	5,910,249,892	1,591,611,041
Cash equivalents (i)	9,000,000,000	10,000,000,000
Total	15,166,072,684	12,360,154,682

Note:

- (i) This is a 1-month term deposit at Asia Commercial Joint Stock Bank - Hai Phong Branch with an interest rate from 4.7% to 4.75% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

5. FINANCIAL INVESTMENTS

a) Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
Over 3-month term deposits (i)	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000

Note:

- (i) This is a 6-month term deposit at the commercial joint stock bank with an interest rate of 4.5% per annum.

b) Investments in associates

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Phong Lan Investment Trading and Service Company Limited (i)	20,039,000,000	(*)	20,039,000,000	(*)

Note:

- (*) The Company has not determined the fair value at the balance sheet date of this investment to disclose in the financial statements because there is no listed price on the market for these investments; Vietnamese Accounting Standards, accounting regime for enterprise and current regulations do not have specific guidance on determining the fair value of financial investments. The fair value of these investments may differ from the book value.

Details of the associate as at 31 December 2025 are as follows:

Phong Lan Investment Trading and Service Company Limited was established on 18 December 2018 with a charter capital of VND 40,895,700,000, its head office is located at No. 20 Dinh Tien Hoang, Hoang Van Thu Ward, Hong Bang District, Hai Phong City. The Company contributes VND 20,039,000,000, equivalent to 49% of the charter capital in the form of land use rights of 572.4 m2 and assets on the land at 20 Dinh Tien Hoang. The voting ratio corresponds to the capital contribution ratio. The risk and profit sharing ratio is 50:50.

Phong Lan Investment Trading and Service Company Limited was established to invest in the construction and operation of Phong Lan Commercial Building Project at 20 Dinh Tien Hoang, Hoang Van Thu Ward, Hong Bang District, Hai Phong City. In 2025, the Company continued its normal operations, achieving profitable business results and accumulated interest. During the year, the Company distributed profits to Hai Phong Electrical Mechanical Joint Stock Company.

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Hanoi Ching Hai Electric Works Co., Ltd	1,471,214,200	2,126,194,130
Nam Thuan Nghe An Joint Stock Company	590,113,020	-
Ban Hang Store	450,921,925	477,921,135
Photo Electric and Electronic One Member Limited	-	1,745,810,600
Nguyen Van Thuat Distributor	-	749,169,121
Others	832,221,955	1,621,412,648
Total	3,344,471,100	6,720,507,634

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
ANK Company	3,436,755,040	398,705,670
Chuan Tin Co., Ltd	1,146,636,000	259,104,000
Cuong Vinh Production and Trading Service Company Limited	-	1,219,465,098
Others	187,156,478	116,119,488
Total	4,770,547,518	1,993,394,256

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term	1,339,575,043	-	1,541,215,867	-
Advances	-	-	115,381,000	-
Other receivables	1,339,575,043	-	1,425,834,867	-
- Mitsubishi Electric Vietnam Company Limited	38,750,940	-	47,702,050	-
- Accrued interest	20,561,644	-	33,320,548	-
- Social insurance of Le Chan District	90,140,064	-	92,155,560	-
- Dividends, profits shared	1,150,000,000	-	1,200,000,000	-
- Other receivables	40,122,395	-	52,656,709	-

9. BAD DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable value	Overdue time	Cost	Recoverable value	Overdue time
	VND	VND	Year	VND	VND	Year
Kevin Wire - Cable and Electrical Materials Co., Ltd	219,062,690	-	Over 3 years	219,062,690	-	Over 3 years
Truong Hoang Phuong Co., Ltd	119,855,600	-	Over 3 years	119,855,600	-	Over 3 years
Tuan Dung Store	13,185,117	-	Over 3 years	13,185,117	-	Over 3 years
Electromechanical No. 1991 Joint Stock Company	119,012,498	-	Over 3 years	119,012,498	-	Over 3 years
Tay Do Electrical Engineering Private Enterprise	9,282,625	-	Over 3 years	9,282,625	-	Over 3 years
Viet Han Joint Stock Company	6,330,516	-	Over 3 years	6,330,516	-	Over 3 years
Vietnam Electric Fan Production and Trading Company Limited	4,687,062	-	Over 3 years	4,687,062	-	Over 3 years
Sales of components	5,001,300	-	Over 3 years	5,001,300	-	Over 3 years
Total	496,417,408	-		496,417,408	-	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	33,303,485,909	-	33,646,047,265	-
Tools and supplies	289,490,131	-	256,280,226	-
Work in progress	9,250,985,138	-	6,715,218,390	-
Finished goods	37,958,045,032	-	39,175,281,420	-
Merchandise	45,524,098,819	-	29,110,116,040	-
Total	126,326,105,029	-	108,902,943,341	-

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a) Short-term	150,751,709	155,712,279
Insurance premium	110,881,327	95,764,486
Others	39,870,382	59,947,793
b) Long-term	724,166,960	884,011,227
Tool and supplies for consumption	349,329,630	822,148,516
Repair costs	351,559,204	16,460,776
Others	23,278,126	45,401,935
Total	874,918,669	1,039,723,506

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

12. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Management equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	67,822,101,454	38,019,190,601	6,629,203,897	199,700,055	112,670,196,007
Additions	-	48,200,000	245,000,000	-	293,200,000
Disposal, sale	-	-	(240,000,000)	-	(240,000,000)
Closing balance	67,822,101,454	38,067,390,601	6,634,203,897	199,700,055	112,723,396,007
ACCUMULATED DEPRECIATION					
Opening balance	37,028,347,271	30,093,978,932	5,270,712,992	173,138,270	72,566,177,465
Charge for the period	2,495,900,988	2,425,041,405	305,243,848	11,558,727	5,237,744,968
Disposal, sale	-	-	(240,000,000)	-	(240,000,000)
Closing balance	39,524,248,259	32,519,020,337	5,335,956,840	184,696,997	77,563,922,433
NET BOOK VALUE					
Opening balance	30,793,754,183	7,925,211,669	1,358,490,905	26,561,785	40,104,018,542
Closing balance	28,297,853,195	5,548,370,264	1,298,247,057	15,003,058	35,159,473,574

As stated in Note 18, the Company has pledged machinery and equipment with the net book value of VND 29,217,253,992 as at 31 December 2025 (as at 31 December 2024: VND 33,450,271,761) as collateral for bank loans.

The cost of the tangible fixed assets includes VND 41,197,639,041 as at 31 December 2025 (as at 31 December 2024: VND 34,867,451,268) which have been fully depreciated but are still in use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

13. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS

	Computer software	Total
	VND	VND
COST		
Opening balance	120,000,000	120,000,000
Closing balance	120,000,000	120,000,000
ACCUMULATED AMORTISATION		
Opening balance	120,000,000	120,000,000
Closing balance	120,000,000	120,000,000
NET BOOK VALUE		
Opening balance	-	-
Closing balance	-	-

The cost of the intangible fixed assets includes VND 120,000,000 as at 31 December 2025 (as at 31 December 2024: VND 120,000,000) which have been fully amortised but are still in use.

14. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Sao Do Manufacturing and Trading Company Limited	2,418,433,332	2,418,433,332	274,176,210	274,176,210
Cuong Vinh Manufacture and Trading Co., Ltd	2,001,039,975	2,001,039,975	-	-
Tan Thanh Company Limited	421,974,360	421,974,360	1,230,256,534	1,230,256,534
Hanoi Ching Hai Electric Works Co., Ltd	-	-	1,001,863,080	1,001,863,080
Ngu Phuc Steel Joint Stock Company	-	-	605,910,028	605,910,028
Others	1,754,031,147	1,754,031,147	2,393,679,244	2,393,679,244
Total	6,595,478,814	6,595,478,814	5,505,885,096	5,505,885,096

15. SHORT-TERM ADVANCES FROM SUPPLIES

	Closing balance	Opening balance
	VND	VND
Thieu Hong Store	3,460,000,000	-
Hung Chanh Store	281,797,927	100,467,485
Gia Nguyen Service and Trading Company Limited	109,955,671	150,765,018
Others	1,628,470,674	388,666,924
Total	5,480,224,272	639,899,427

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

16. TAX AND OTHER AMOUNTS PAYABLE TO/RECEIVABLES FROM THE STATE BUDGET

	Opening balance	Payable/Receivable during the year	Paid/Received during the year	Closing balance
	VND	VND	VND	VND
a) Payables				
Import and export duties	-	59,069,106	59,069,106	-
Value added tax	-	1,755,988,796	1,755,988,796	-
Corporate income tax	1,101,178,555	2,994,318,249	2,401,178,555	1,694,318,249
Personal income tax	4,695,905	614,617,808	619,313,713	-
Land tax, land rental	-	1,081,178,888	1,081,178,888	-
Fees, charges and other payables	-	4,000,000	4,000,000	-
Total	1,105,874,460	6,509,172,847	5,920,729,058	1,694,318,249
b) Receivables				
Personal income tax	-	27,490,057	-	27,490,057
Total	-	27,490,057	-	27,490,057

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Accrual for interest expenses	16,339,214	4,329,981
Accrual for production and business costs	258,708,135	338,705,181
Total	275,047,349	343,035,162

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

18. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Closing balance		During the period		Opening balance	
	Amount	Amount able to be paid off	Decrease	Increase	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Vietnam Joint Stock Commercial Bank For Industry and Trade - Hong Bang Branch (i)	8,959,483,904	8,959,483,904	70,858,334,221	75,944,182,734	3,873,635,391	3,873,635,391
Total	8,959,483,904	8,959,483,904	70,858,334,221	75,944,182,734	3,873,635,391	3,873,635,391

Note:

(i) Short-term loan under the credit limit contract No. 02/2025-HDCVHM/NHCT166-DIENCOHP dated 8 April 2025 with Vietnam Joint Stock Commercial Bank For Industry and Trade for Industry and Trade - Hong Bang Branch as follows:

- Credit line maintenance period: From 10 April 2025 to 10 April 2026.
- Maximum disbursement limit: VND 50,000,000,000.
- Purpose of the loan: To supplement working capital, open and settle L/Cs for production and business activities.
- Loan term: Maximum of 6 months.
- Interest rate: Specified in each indebtedness certificate, effective from the disbursement date until any interest rate adjustment.
- Collateral: Machinery, equipment, and transport vehicles as per the collateral agreements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNERS' EQUITY

Movements in owners' equity

	Owner's contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Opening balance of prior year	94,922,000,000	12,666,244,168	63,687,003,854	171,275,248,022
Profit for the year	-	-	13,204,714,222	13,204,714,222
Investment and development fund	-	1,275,663,416	(1,275,663,416)	-
Bonus and welfare fund	-	-	(510,265,366)	(510,265,366)
Profit distribution	-	-	(9,492,200,000)	(9,492,200,000)
Other decrease	-	(67,297,249)	-	(67,297,249)
Opening balance of current year	94,922,000,000	13,874,610,335	65,613,589,294	174,410,199,629
Profit for the year	-	-	13,127,272,994	13,127,272,994
Investment and development fund (i)	-	1,320,471,422	(1,320,471,422)	-
Profit distribution (i)	-	-	(9,492,200,000)	(9,492,200,000)
Bonus and welfare fund (i)	-	-	(528,188,568)	(528,188,568)
Other decrease	-	(248,108,565)	-	(248,108,565)
Closing balance of current year	94,922,000,000	14,946,973,192	67,400,002,298	177,268,975,490

Note:

- (i) Profit distribution for 2024 includes the allocation to funds and dividend distribution to shareholders in accordance with Resolution of the Annual General Meeting of Shareholders No. 12/2025/DHP/NQ-DHDCD dated 25 April 2025 as follows:

- Development and investment Fund (10% of profit after tax from business operations): VND 1,320,471,422.
- Bonus and welfare fund (4% of profit after tax from business operations): VND 528,188,568.
- Cash dividend payment for 2023 (10% of charter capital): VND 9,492,200,000.

During the year, the Company paid dividends to shareholders with the amount of VND 9,019,690,000 and deducted 5% personal income tax of VND 472,510,000.

The Company's share issuance

	Closing balance	Opening balance
	Share	Share
Number of shares registered for issuance	9,492,200	9,492,200
Number of shares sold to the public		
- Common shares	9,492,200	9,492,200
Number of outstanding shares		
- Common shares	9,492,200	9,492,200
Par value of outstanding shares (VND)	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNERS' EQUITY (CONTINUED)

According to the amended Business Registration Certificate, the Company's charter capital is VND 94,922,000,000 (as at 31 December 2024: VND 94,922,000,000). As at 31 December 2025, the charter capital has been fully contributed by shareholders as follows:

	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
	VND	%	VND	%
Mr. Hoang Thanh Hai	26,141,810,000	28%	26,141,810,000	28%
Ms. Nguyen Thu Ha	20,065,800,000	21%	20,065,800,000	21%
Mr. Tran Quang Hung	6,052,760,000	6%	6,052,760,000	6%
Other shareholders	42,661,630,000	45%	42,661,630,000	45%
Total	94,922,000,000	100%	94,922,000,000	100%

20. OFF-BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
Foreign currencies (USD)	36,385.36	229.11

21. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year	Prior year
	VND	VND
Total revenue from goods sold		
<u>In which:</u>		
- Revenue from goods sold	230,862,668,782	238,935,229,455
Total	230,862,668,782	238,935,229,455
Deductions	1,069,628,481	1,152,752,408
- Trade discount	1,069,628,481	1,152,752,408
Net revenue from goods sold	229,793,040,301	237,782,477,047

22. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year	Prior year
	VND	VND
Cost of goods sold	197,312,449,282	202,716,554,156
Total	197,312,449,282	202,716,554,156

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

23. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	VND
Raw materials and consumables	70,091,343,503	65,633,246,421
Labour	18,815,914,550	22,857,306,962
Depreciation and amortisation	5,237,744,968	5,629,272,999
Out-sourced services	3,040,722,206	3,499,546,319
Product warranty	757,749,339	864,805,054
Provision for doubtful debts	-	35,956,680
Other monetary expenses	3,856,961,877	3,524,772,887
Total	101,800,436,443	102,044,907,322

24. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Bank and loan interest	1,415,357,081	867,556,280
Profits, dividends	1,150,000,000	1,200,000,000
Payment discount received	1,009,516,098	826,316,957
Foreign exchange gain	111,240	2,791,977
Other financial income	67,993	-
Total	3,575,052,412	2,896,665,214

25. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expenses	188,465,947	162,301,300
Payment discount	1,995,678,562	4,836,912,573
Foreign exchange loss	11,770,473	17,481,494
Other financial expenses	31,134	-
Total	2,195,946,116	5,016,695,367

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

26. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
a) Selling expenses incurred in the year		
Materials and packaging	931,866,436	993,959,612
Employees	1,370,980,151	1,371,019,495
Depreciation and amortization	189,637,666	334,006,992
Out-sourced services	504,957,042	481,823,671
Maintenance expenses	757,749,339	864,805,054
Total	3,755,190,634	4,045,614,824
b) General and administration expenses incurred in the year		
Materials	93,153,503	169,607,430
Employees	9,282,189,673	9,747,666,135
Depreciation and amortization	573,673,987	581,924,921
Taxes, fees and charges	1,095,068,232	1,093,688,219
Out-sourced services	3,035,310,848	2,763,050,218
Provision	-	35,956,680
Total	14,079,396,243	14,391,893,603

27. OTHER INCOME

	Current year	Prior year
	VND	VND
Promotional products (free of charge)	38,602,389	1,644,141,245
Disposal of fixed assets	10,000,000	50,700,000
Others	49,503,253	2,734,690
Total	98,105,642	1,697,575,935

28. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
	VND	VND
Profit before tax	16,121,591,243	16,205,892,777
Adjustment for taxable income	(1,150,000,000)	(1,200,000,000)
Less: Non-taxable income - Profit received from associates	(1,150,000,000)	(1,200,000,000)
Taxable income	14,971,591,243	15,005,892,777
Corporate income tax rate	20%	20%
Current corporate income tax expense	2,994,318,249	3,001,178,555

During the year, the Company determined that taxable income differed from accounting profit by VND 1,150,000,000. The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***29. BASIC EARNINGS PER SHARE**

	Current year	Prior year (Restated)
	VND	VND
Profit after tax	13,127,272,994	13,204,714,222
Adjustment for bonus and welfare fund	-	(528,188,568)
Profit for calculating basic earnings per share	13,127,272,994	12,676,525,654
Weighted average number of common shares for calculating basic earnings per share	9,492,200	9,492,200
Basic earnings per share	1,383	1,335
Par value of shares	10,000	10,000

The "Basic earnings per share" for the prior year was restated due to the adjustment of the 2024 bonus and welfare fund with the amount of VND 528,188,568. The basic earnings per share for 2024 before restatement was VND 1,391 per share.

In 2025, the Company has not allocated bonus and welfare fund from the 2025 profit, so the "Basic earnings per share" for the current year is not affected by this fund allocation.

30. SEGMENT REPORTING BY BUSINESS SECTOR AND GEOGRAPHICAL AREA**Segment reporting by business sector**

The Company's main business activities are the manufacture of household electrical appliances, such as electric fans, fan cages, etc.; Additionally, the Company engages in the import and trade of certain types of electric fans within the same region. Consequently, the Company does not prepare segment reports by business sector.

Segment reporting by geographical area

The Company's business activities are mainly carried out at its head office located at 734 Nguyen Van Linh, Le Chan, Hai Phong. The Company does not have any affiliated units in locations outside the province. Accordingly, the Company does not prepare segment reports by geographical area.

31. FINANCIAL INSTRUMENTS**Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 18 offset by cash and cash equivalents) and shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	Closing balance	Opening balance
	VND	VND
Borrowings	8,959,483,904	3,873,635,391
Less: Cash and cash equivalents	(15,166,072,684)	(12,360,154,682)
Net debt	(6,206,588,780)	(8,486,519,291)
Equity	177,268,975,490	174,410,199,629
Net debt to equity ratio	0.00	0.00

Significant accounting policies

Details of the significant accounting policies and methods adopted for each class of financial asset and financial liability are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

31. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	15,166,072,684	12,360,154,682
Trade and other receivables	4,187,628,735	7,649,925,093
Short-term financial investments	2,000,000,000	2,000,000,000
Long-term financial investments	20,039,000,000	20,039,000,000
Total	41,392,701,419	42,049,079,775
Financial liabilities		
Borrowings	8,959,483,904	3,873,635,391
Trade and other payables	6,595,478,814	5,505,885,096
Accrued expenses	275,047,349	343,035,162
Total	15,830,010,067	9,722,555,649

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk, liquidity risk and credit risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

31. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	<u>Less than 1 year</u>	<u>From 1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Closing balance				
Cash and cash equivalents	15,166,072,684	-	-	15,166,072,684
Trade and other receivables	4,187,628,735	-	-	4,187,628,735
Short-term financial investments	2,000,000,000	-	-	2,000,000,000
Long-term financial investments	-	-	20,039,000,000	20,039,000,000
Total	21,353,701,419	-	20,039,000,000	41,392,701,419
Closing balance				
Borrowings	8,959,483,904	-	-	8,959,483,904
Trade and other payables	6,595,478,814	-	-	6,595,478,814
Accrued expenses	275,047,349	-	-	275,047,349
Total	15,830,010,067	-	-	15,830,010,067
Net liquidity gap	5,523,691,352	-	20,039,000,000	25,562,691,352
	<u>Less than 1 year</u>	<u>From 1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Opening balance				
Cash and cash equivalents	12,360,154,682	-	-	12,360,154,682
Trade and other receivables	7,649,925,093	-	-	7,649,925,093
Short-term financial investments	2,000,000,000	-	-	2,000,000,000
Long-term financial investments	-	-	20,039,000,000	20,039,000,000
Total	22,010,079,775	-	20,039,000,000	42,049,079,775
Opening balance				
Borrowings	3,873,635,391	-	-	3,873,635,391
Trade and other payables	5,505,885,096	-	-	5,505,885,096
Accrued expenses	343,035,162	-	-	343,035,162
Total	9,722,555,649	-	-	9,722,555,649
Net liquidity gap	12,287,524,126	-	20,039,000,000	32,326,524,126

The Board of General Directors assessed the liquidity risk at low level. The management believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

32. SUBSEQUENT EVENTS

According to Resolution of the Board of Management No. 13/2025/NQ-HDQT dated 22 December 2025 regarding the advance payment of 2025 dividends at a rate of 5% per share in cash, to be implemented in January 2026.

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Remuneration paid to the Board of Management, Board of General Directors, Chief Accountant and Board of Supervisors:

	Current year	Prior year
	VND	VND
Remuneration paid to the Board of Management and Board of General Directors	1,280,333,480	1,281,664,611
Mr. Hoang Thanh Hai	306,025,499	317,585,775
Ms. Le Thi Bich Hue	68,676,000	65,322,000
Mr. Mai Van Minh	345,337,730	345,035,406
Ms. Trinh Thi Lan Phuong	269,473,893	269,096,345
Mr. Nguyen Minh Chung	290,820,358	284,625,085
Remuneration paid to the Board of Supervisors	619,857,307	608,541,124
Mr. Vu Duy Anh	227,889,729	223,029,801
Mr. Tran Tuan Linh	221,554,975	219,160,925
Ms. Bui Thi Hue	170,412,603	166,350,398

Dividends paid to the Board of Management, Board of General Directors, Board of Supervisors and shareholders with significant influence:

	Current year	Prior year
	VND	VND
Dividends paid to the Board of Management and Board of General Directors	3,388,486,000	3,388,486,000
Mr. Hoang Thanh Hai	2,614,181,000	2,614,181,000
Ms. Le Thi Bich Hue	352,625,000	352,625,000
Mr. Mai Van Minh	201,394,000	201,394,000
Ms. Trinh Thi Lan Phuong	120,277,000	120,277,000
Mr. Nguyen Minh Chung	100,009,000	100,009,000
Dividends paid to the Board of Supervisors	32,500,000	111,000,000
Mr. Vu Duy Anh	4,000,000	4,000,000
Ms. Bui Thi Hue	1,500,000	500,000
Mr. Tran Tuan Linh	27,000,000	106,500,000
Dividends paid to shareholders with significant influence	2,006,580,000	2,006,580,000
Ms. Nguyen Thu Ha	2,006,580,000	2,006,580,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)****Transactions with associates****Profit received from associates**

	Current year	Prior year
	VND	VND
Phong Lan Investment Trading and Service Company Limited		
Dividends received during the year	1,200,000,000	1,000,000,000
Dividends during the year	1,150,000,000	1,200,000,000

34. OPERATING LEASE COMMITMENT

	Current year	Prior year
	VND	VND
Minimum lease payments under operating leases recognized in the income statement during the year (i)	1,036,746,945	1,081,179,206
Total	1,036,746,945	1,081,179,206

Note:


(i) Operating lease expenses represent costs under land lease contracts.

As at 31 December 2025, the Company had the following non-cancellable land lease agreements:

- Land lease contract No. 43/HDTD dated 25 May 2015 between Hai Phong Electrical Mechanical Joint Stock Company and the Department of Natural Resources and Environment of Hai Phong City, for the land located at 734 Nguyen Van Linh Street, An Bien Ward, Hai Phong City. The total land area is 13,820.7 m², intended for the construction of offices and production workshops, with a lease term of 50 years from 15 October 1993 to 15 October 2043. The annual rental rate is determined by the Hai Phong City Tax Department.
- Land lease contract No. 60/HDTD dated 21 June 2010 between Hai Phong Electrical Mechanical Joint Stock Company and the Department of Natural Resources and Environment of Hai Phong City, for the land located in Dong Hoa Ward, Hai Phong City. The total land area is 7,653.2 m², intended for the investment project to construct a high-quality electric fan manufacturing plant, with a lease term of 40 years from 18 August 2006 to 18 August 2046. The annual rental rate is determined in accordance with Government Decree No. 142/2005/ND-CP dated 14 November 2005 on land and water surface rental fees.

35. COMPARATIVE FIGURES

Comparative figures are those presented in the audited financial statements for the year ended 31 December 2024.


Le Thi Nhung
Preparer

Hai Phong, 18 March 2026


Trinh Thi Lan Phuong
Chief Accountant


Mai Van Minh
General Director
