

DUC QUAN INVESTMENT AND DEVELOPMENT
JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

(Audited)



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DUC QUAN INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street, Thai Binh Ward, Hung Yen Province.

BOARD OF GENERAL DIRECTORS' REPORT

The Board of General Directors of Duc Quan Investment and Development Joint Stock Company (hereinafter referred to as the "Company") presents this report together with the Company's financial statements for the financial year ended 31 December 2025.

The company

Duc Quan Investment and Development Joint Stock Company

Business Registration Certificate No.

No. 1000400095, registered for the first time on 30 October 2006 and registered for 13th time on 4 August, 2025
Issued by the Department of Finance of Hung Yen Province.

Headquarters

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street, Thai Binh Ward, Hung Yen Province.

Board of Management

The Board of Management in the fiscal year and to the reporting date are:

Mr. Le Manh Thuong	Chairman
Mr. Nguyen Hoang Giang	Member
Mr. Do Van Sinh	Member
Mr. Tran Xuan Tien	Member
Ms. Dao Thi Hue	Member

Internal Audit Committee

The Internal Audit Committee in the fiscal year and to the reporting date are:

Mr. Nguyen Hoang Giang	Head
Ms. Dao Thi Hue	Member

Board of General Directors

The Board of General Directors in the fiscal year and to the reporting date are:

Mr. Do Van Sinh	General Director
Mr. Tran Xuan Tien	Deputy General Director
Mr. Dao Van Nam	Deputy General Director

Legal Representative of the Company

Mr. Do Van Sinh	General Director
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Auditor

Vietnam Auditing and Valuation Company Limited (AVA)

DUC QUAN INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street, Thai Binh Ward, Hung Yen Province.

Responsibilities of the board of general directors

The Board of General Directors of the Company is responsible for preparing the financial statements that fairly and reasonably reflect the financial position, business performance, and cash flow of the Company for the year, in accordance with accounting standards, the accounting regime for Vietnamese enterprises, and relevant legal regulations related to the preparation and presentation of financial statements. In preparing these financial statements, the Board of General Directors is required to:

- Develop and maintain internal controls that the Board of General Directors and the Board of Directors deem necessary to ensure that the preparation and presentation of the financial statements are free from material misstatements due to fraud or error;
- Select appropriate accounting policies and apply them consistently;
- Make reasonable and prudent judgments and estimates;
- Clearly state whether the appropriate accounting principles have been followed, and disclose and explain any material deviations in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is not possible to assume that the Company will continue its business operations; and
- Design and implement an effective internal control system for the purpose of preparing and presenting the financial statements reasonably to minimize risks and fraud.

The Board of General Directors of the Company ensures that the accounting records are maintained to reflect the financial position of the Company, with accuracy and fairness at any given time, and ensures that the financial statements comply with the current regulations of the State. At the same time, the Board is responsible for ensuring the safety of the Company's assets and implementing appropriate measures to prevent and detect fraudulent activities and other violations.

The Board of General Directors of the Company affirms that the financial statements fairly and reasonably reflect the financial position of the Company as of 31 December 2025, the results of its operations, and its cash flow for the financial year ending on the same date, in accordance with Vietnamese accounting standards and regulations, and comply with the relevant current legal provisions.

Other Commitments

The Board of Management represents that the Company is in compliance with Decree No. 155/2020/ND-CP dated December 31, 2020, detailing the implementation of a number of articles of the Law on Securities, and that the Company has not violated its information disclosure obligations in accordance with Circular No. 96/2020/TT-BTC dated November 16, 2020, as amended by Circular No. 68/2024/TT-BTC dated September 18, 2024, issued by the Ministry of Finance on information disclosure in the securities market.

Hung Yen, 27 March 2026
On behalf of and representing
the Board of General

General Director



Do Van Sinh



No: 207/BCKT-TC/AVA.NV9

INDEPENDENT AUDITOR'S REPORT

To: Shareholders
The Board of Directors and the Board of General Directors
Duc Quan Investment and Development Joint Stock Company

We have audited the balance sheet as of 31 December 2025, together with the Income Statement, the Cash Flow Statement for the financial year ended 31 December 2025, and the accompanying notes to the financial statements (collectively referred to as the "Financial Statements") of Duc Quan Investment and Development Joint Stock Company (the "Company"), from page 5 to page 30.

Responsibilities of the Board of General Directors

The Board of General Directors of the Company is responsible for the preparation and fair presentation of the Company's financial statements in accordance with accounting standards, the Vietnamese Enterprise Accounting System, and legal regulations related to the preparation and presentation of financial statements. They are also responsible for the internal control that the Board of General Directors deems necessary to ensure that the preparation and presentation of the financial statements are free from material misstatements due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express an opinion on the financial statements based on the results of the audit. We conducted the audit in accordance with Vietnamese auditing standards. However, due to the issues described in the "Basis for Disclaimer of Opinion" section, we were unable to obtain sufficient appropriate audit evidence to form the basis for an audit opinion.

Basis for disclaimer of opinion

Going concern assumption

As presented in Note 2.1, these financial statements have been prepared on a going concern basis, despite the fact that as of 31 December 2025, the Company's total liabilities exceeded its total assets by VND 989,503,933,145, and a loss of VND 155,263,332,625 was incurred as reflected in the financial statements.

In addition, the overdue bank loans amount to VND 774,094,985,391 as disclosed in Note 23, and the overdue bank interest, which has not been extended, amounts to VND 405,528,503,569 as disclosed in Note 20.

The value of the going concern assumption used in the preparation of these financial statements is fundamentally dependent on the management's ability to implement business strategies to improve the Company's situation, as well as to maintain operations and settle its outstanding debts.

However, since 2019, the Company has been facing significant financial difficulties and has been implementing various measures for restructuring in terms of organization, business, and financial management. Accordingly, the Board of Directors assesses that the Company's ability to continue as a going concern in the future depends largely on the restructuring of its organization, business, and financial management, including the restructuring of overdue debts as mentioned above and the addition of capital for production and business activities.

Therefore, we have not obtained sufficient evidence to assess the appropriateness of the going concern assumption applied in the preparation of these financial statements. As a result, we are unable to determine whether any adjustments to the financial statements are necessary in the event that the Company is unable to continue as a going concern.

As of December 31, 2025, we have not yet fully collected the confirmation letters of other receivables in the amount of: VND 374,875,666,566 in note 7, prepayments to sellers in the amount of: VND 72,219,248,110 in note 8, nor have we assessed the recoverability of this amount. We have not performed alternative procedures, so we cannot give our opinion on the existence and assessment of these balances in the Financial Statements ending on the same day.

Disclaimer of Opinion

Due to the significance of the issue mentioned in the "Basis for Disclaimer of Opinion" section, we were unable to obtain sufficient appropriate audit evidence to form the basis for an audit opinion. Therefore, we are unable to and do not express an audit opinion on the financial statements of the Company as of and for the year ended 31 December 2025.

VIETNAM AUDITING AND VALUATION COMPANY LIMITED



Mai Quang Hiep
Deputy General Director
Audit Practicing Certificate
No. 1320-2023-126-1
Ha Noi, 28 March, 2026

Nguyen Bao Trung
Auditor
Audit Practicing Certificate
No. 0373-2023-126-1

DUC QUAN INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street,
Thai Binh Ward, Hung Yen Province.

Financial statements
For the financial year ended 31/12/2025

Form B01 - DN

BALANCE SHEET

At 31/12/2025

Unit: VND

ASSETS	Code	Note	31/12/2025	01/01/2025
A. CURRENT ASSETS	100		349,286,818,532	359,391,703,020
I. Cash and cash equivalents	110	5	584,540,342	8,733,737,152
1. Cash	111		584,540,342	8,733,737,152
II. Short-term financial investments	120	6	1,500,000,000	1,500,000,000
1. Held to maturity investments	123		1,500,000,000	1,500,000,000
III. Short-term receivables	130		198,168,201,808	198,214,581,624
1. Short-term receivables from customers	131	7	390,050,731,831	389,629,220,935
2. Short-term advances to suppliers	132	8	218,962,101,365	219,232,159,404
3. Other short-term receivables	136	10	54,845,986,828	55,043,819,501
4. Provisions for short-term doubtful debts	137	11	(465,690,618,216)	(465,690,618,216)
IV. Inventories	140	12	148,299,860,065	149,990,368,362
1. Inventories	141		148,299,860,065	149,990,368,362
V. Other short-term assets	150		734,216,317	953,015,882
1. Short-term prepaid expenses	151	13	609,191,146	692,217,115
2. Value added tax deductibles	152	19	125,025,171	260,798,767
B. NON-CURRENT ASSETS	200		216,001,151,307	280,045,231,203
I. Long-term receivables	210		7,796,795,818	24,166,370,318
1. Long-term loan receivables	215	9	7,796,795,818	24,166,370,318
II. Fixed assets	220		142,485,889,934	189,568,222,288
1. Tangible fixed assets	221	14	141,566,300,359	187,729,043,169
- Cost	222		1,010,421,130,106	1,010,421,130,106
- Accumulated depreciation	223		(868,854,829,747)	(822,692,086,937)
2. Intangible fixed assets	227	15	919,589,575	1,839,179,119
- Cost	228		7,944,995,383	7,944,995,383
- Accumulated depreciation	229		(7,025,405,808)	(6,105,816,264)
III. Long-term asset in progress	240	16	64,098,399,230	64,048,708,230
1. Construction in progress	242		64,098,399,230	64,048,708,230
IV. Other long-term assets	260		1,620,066,325	2,261,930,367
1. Long-term prepaid expenses	261	13	1,620,066,325	2,261,930,367
TOTAL ASSETS (270=100+200)	270		565,287,969,839	639,436,934,223

**DUC QUAN INVESTMENT AND DEVELOPMENT JOINT
STOCK COMPANY**

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street,
Thai Binh Ward, Hung Yen Province.

Financial statements
For the financial year ended 31/12/2025

Form B01 - DN

BALANCE SHEET

At 31/12/2025

(continued)

Unit: VND

RESOURCES	Code	Note	31/12/2025	01/01/2025
A. LIABILITIES (300=310+330)	300		1,554,791,902,984	1,473,677,534,743
I. Current liabilities	310		1,554,791,902,984	1,465,973,007,743
1. Short-term account payable to suppliers	311	17	51,024,501,869	49,041,942,433
2. Advances from customers (short-term)	312	18	10,426,116,367	13,203,737,507
3. Taxes and payable to state budget	313	19	148,245,855	21,808,877
4. Payables to employees	314		2,324,139,000	3,063,601,000
5. Short-term accrued expenses	315	20	666,432,725,122	587,099,485,624
6. Short term unearned revenue	318	21	38,333,333	525,609,091
7. Other short-term payables	319	22	26,382,941,937	27,621,426,600
8. Short-term borrowings and financial lease	320	23	797,891,753,213	785,272,250,323
9. Bonus and welfare funds	322		123,146,288	123,146,288
II. Long-term liabilities	330		-	7,704,527,000
1. Long-term borrowings and financial lease	338	23	-	7,704,527,000
B. EQUITY (400=410)	400		(989,503,933,145)	(834,240,600,520)
I. Owners' equity	410	24	(989,503,933,145)	(834,240,600,520)
1. Owner's contributed capital	411		500,000,000,000	500,000,000,000
- Ordinary shares with voting rights	411a		500,000,000,000	500,000,000,000
2. Investment and development fund	418		9,142,927,632	9,142,927,632
3. Undistributed earnings	421		(1,498,646,860,777)	(1,343,383,528,152)
- Accumulated undistributed earnings	421a		(1,343,383,528,152)	(1,216,094,637,430)
- Undistributed earnings	421b		(155,263,332,625)	(127,288,890,722)
TOTAL LIABILITIES AN EQUITY (440=310+330+400)	440		565,287,969,839	639,436,934,223

Hung Yen, 27 March, 2026

Preparer

Tran Thi Quy

Chief Accountant

Dao Van Nam

General Director



Do Van Sinh

Form B02 - DN

INCOME STATEMENT
 For the year ended 31 December 2025

Unit: VND

ITEM	Note	Code	2025	2024
1. Revenue from sale of goods and rendering of services	25	01	191,913,831,084	182,924,996,098
2. Deductions	26	02	75,473,996	145,358,196
3. Net revenue from sale of goods and rendering of services (10=01-02)	27	10	191,838,357,088	182,779,637,902
4. Costs of goods sold	28	11	229,940,641,803	182,290,761,045
5. Gross profit from sale of goods and rendering of services		20	(38,102,284,715)	488,876,857
6. Income from financial activities	29	21	949,519,555	6,499,230,699
7. Expenses from financial activities	30	22	85,434,600,873	91,367,974,530
- In which: Interest expenses		23	77,497,825,433	76,004,305,555
8. Selling expenses	31	25	992,020,822	1,795,892,105
9. General and administrative expenses	31	26	11,090,812,646	88,073,001,507
10. Operating profit (30=20+(21-22)-(25+26))		30	(134,670,199,501)	(174,248,760,586)
11. Other income	32	31	653,277,258	110,633,474,840
12. Other expenses	33	32	21,246,410,382	63,673,604,976
13. Other profit (40=31-32)		40	(20,593,133,124)	46,959,869,864
14. Net profit before tax (50=30+40)		50	(155,263,332,625)	(127,288,890,722)
15. Current corporate income tax expense		51	-	-
16. Deferred corporate income tax expense		52	-	-
17. Net profit after tax (60=50-51-52)		60	(155,263,332,625)	(127,288,890,722)
18. Basic earnings per share	34	70	(3,105)	(2,546)

Hung Yen, 27 March, 2026

Preparer



Tran Thi Quy

Chief Accountant



Dao Van Nam

General Director



Do Van Sinh

DUC QUAN INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street,
Thai Binh Ward, Hung Yen Province.

Financial statements
For the financial year ended 31/12/2025

Form B03 - DN

CASH FLOWS STATEMENTS

(Indirect method)

For accounting period 31/12/2025

Unit: VND

ITEM	Code	2025	2024
I. Cash flow from operating activities			
1. Profit before tax	01	(155,263,332,625)	(127,288,890,722)
2. Adjustments for			
- Depreciation and amortisation	02	46,162,742,810	46,810,350,641
- Allowances and provisions	03	-	74,381,288,110
- Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	7,160,833,885	9,321,722,843
- Interest expense	06	77,497,825,433	76,004,305,555
3. Operating profit before changes in working capital	08	(24,441,930,497)	79,228,776,427
- Increase/ Decrease in receivables	09	(25,542,463,993)	7,212,962,083
- Increase/ Decrease in inventories	10	1,690,508,297	(25,930,274,341)
- Increase/ Decrease in payables	11	32,732,881,756	(94,482,216,045)
- Increase/ Decrease in prepaid expenses	12	724,890,011	1,972,285,069
- Interest paid	14	1,835,414,065	1,924,495,461
Net cash flows from operating activities	20	(13,000,700,361)	(30,073,971,346)
II. Cash flow from investing activities			
1. Expenses for purchasing, constructing fixed assets and	21	-	-
2. Loans to other entities and payments for purchase of	23	-	-
3. Collections from borrowers and proceeds from sale of	24	-	43,973,416,900
4. Interest and dividends received	27	-	-
Net cash flow from investing activities	30	-	43,973,416,900
III. Cash flows from financing activities			
1. Short-term and long-term loans received	33	5,684,655,290	-
2. Payments of loan	34	(833,151,739)	(6,252,684,415)
Net cash flows from financing activities	40	4,851,503,551	(6,252,684,415)
Net cash flows during the year	50	(8,149,196,810)	7,646,761,139
Cash and cash equivalents at the beginning of the year	60	8,733,737,152	1,086,976,013
Impact of exchange rate fluctuations	61	-	-
Cash and cash equivalents at the end of the year	70	584,540,342	8,733,737,152

Hung Yen, 27 March, 2026

Preparer

Tran Thi Quy

Chief Accountant

Dao Van Nam

General Director



Do Van Sinh

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1. GENERAL INFORMATION

Ownership structure

Duc Quan Investment and Development Joint Stock Company
Business Registration Certificate No. 1000400095, registered for the first time on 30 October 2006 and registered for 13th time on 4 August, 2025 Issued by the Department of Finance of Hung Yen Province.
The Company's headquarters is located at Lot A3, Nguyen Duc Canh Industrial Zone, Tran Thai Tong Street, Thai Binh Ward, Hung Yen Province.
The Company's charter capital: VND 500,000,000,000;
The total number of shares is 50,000,000 shares, with a par value of VND 10,000 per share.

Business field

Business fields of the Company are Manufacturing and trading various types of yarn.

Business activities and main operations

The company's business activities include: Manufacturing and trading various types of yarn; Weaving fabric production; Textile product finishing; Production of knitted fabric, crocheted fabric, and other non-woven fabrics; Manufacturing ready-made garments (except apparel); Garment manufacturing (except fur clothing); Manufacturing products from fur; Manufacturing knitted and crocheted apparel; Wholesale of fabrics, garments, and footwear; Construction of all types of houses; Construction of railway and road projects; Other specialized wholesale not classified elsewhere (specifically: wholesale of yarn); Construction of other civil engineering projects (specifically: construction of residential and industrial infrastructure); Demolition; Site preparation; Installation of electrical systems; Installation of water supply, drainage, heating, and air conditioning systems; Completion of construction works; Wholesale of materials and other installation equipment in construction; Retail of hardware, paint, glass, and other installation equipment in construction at specialized stores; road freight transport;...

The normal production and business cycle.

The Company's normal production and business cycle is carried out within a period not exceeding 12 months.

Business structure

Labour

As of December 31, 2025, the total number of employees in the Company was 232 (As of December 31, 2024, the total number of employees in the Company was 380).

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1. Basis of preparation of Financial Statements

The accompanying financial statements are presented in Vietnamese Dong (VND), based on the historical cost principle and in accordance with Vietnamese accounting standards, the enterprise accounting regime, and relevant legal regulations on the preparation and presentation of financial statements on a going concern basis.

The accompanying financial statements are not intended to reflect the financial position, business performance, and cash flows in accordance with generally accepted accounting principles and practices in countries other than Vietnam.

2.2. Accounting Period

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

2.2. Reporting Currency

The currency unit used in accounting records is the Vietnamese Dong (VND).

3. ACCOUNTING STANDARDS AND REGULATIONS APPLIED

3.1. Accounting Regulations Applied

The Company applies the Enterprise Accounting System issued under 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 of the Ministry of Finance, which amends and supplements certain provisions of Circular No. 200/2014/TT-BTC.

3.2. Statement of Compliance with Accounting Standards and Regulations

The Company has applied the Vietnamese Accounting Standards and the relevant guidance documents issued by the State. The financial statements have been prepared and presented in full compliance with all applicable accounting standards, circulars guiding the implementation of accounting standards, and the currently applied Enterprise Accounting System.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of no more than 3 months, which are highly liquid, easily convertible into cash, and subject to minimal risk of changes in value.

4.2. Loans Receivable

Loans receivable are based on agreements between parties but are not traded in the market, like securities. Depending on the contract, loans may be repaid in full at maturity or repaid in installments over time.

For loans receivable, if no provision for bad debts has been made according to the legal requirements, the accounting department will assess the recoverability. If there is clear evidence that part or all of the loan may not be recoverable, the accounting department will recognize the loss in financial expenses for the period. If the amount of loss cannot be reliably determined, the accounting department will disclose the recoverability of the loan in the financial statements.

4.3. Receivables

Receivables are presented on the financial statements at their book value, which is the total amount of receivables from customers and other receivables after deducting provisions made for doubtful debts.

The determination of receivables requiring provision for doubtful debts is based on the classification of these receivables as short-term or long-term items on the Balance Sheet. The provision for doubtful debts is calculated for each receivable based on the aging of overdue debts or the estimated level of loss that may occur.

4.4. Inventory

Inventory is valued at cost. If the net realizable value is lower than the cost, the inventory is valued at the net realizable value. The cost of inventory includes purchase costs, processing costs, and other directly related costs incurred to bring the inventory to its current location and condition.

The value of inventory is determined using the weighted average method.

Work-in-progress valuation method: Costs incurred for unfinished production are accumulated based on actual expenses for each production stage in the process.

Inventory is recorded using the periodic inventory system.

Provision for inventory obsolescence is made at the end of the year and is the difference between the cost of inventory and its net realizable value.

4.5. Prepaid expenses

Prepaid expenses include actual expenses that have been incurred but are related to the results of business operations over multiple accounting periods. Prepaid expenses include costs and other prepaid items.

Other prepaid expenses include the value of small tools, instruments, components used, advertising expenses, and training costs incurred during the phase before the company officially starts its operations. These expenses are capitalized as prepaid items and are allocated to the income statement using the straight-line method according to current accounting regulations.

4.6. Tangible Fixed Assets and Depreciation

Tangible fixed assets and intangible fixed assets are recorded at cost. During their use, tangible and intangible fixed assets are recorded at original cost, accumulated depreciation, and carrying value.

Depreciation is calculated using the straight-line method. The depreciation period is applied in accordance with Circular 45/2013/TT-BTC dated April 25, 2013, issued by the Ministry of Finance, which provides guidelines on the management, use, and depreciation of fixed assets. The estimated depreciation periods are as follows:

	2025
	Years
Buildings and structure	6 – 20
Machinery and equipment	10 – 15
Vehicles	5 – 10
Management tools and other assets	3 – 10

The difference between the net proceeds from disposal or sale and the remaining value of fixed assets is recognized as income or expense in the Income Statement.

4.7. Construction in progress

Assets that are under construction for production, leasing, management, or any other purposes are recognized at cost. This cost includes service costs and related interest expenses in accordance with the company's accounting policies. The depreciation of these assets is applied similarly to other assets, starting when the asset is ready for use.

4.8. Accrued expenses

Accrued expenses are actual costs that have not yet occurred but are anticipated and recorded as expenses in the current period to ensure that when the actual costs arise, they do not cause significant fluctuations in production and business expenses, based on the matching principle between revenue and expenses. When these expenses occur, if there is a difference from the accrued amount, accounting will make an adjustment by increasing or decreasing the expense accordingly.

4.9. Principle of accounting for liabilities

Liabilities are monitored in detail by their due date, the party to whom payment is owed, the type of currency payable, and other factors based on the company's management needs.

When preparing the financial statements, accounting classifies liabilities as current or non-current based on their remaining term.

When there is evidence indicating that a loss is likely to occur, accounting immediately recognizes the liability in accordance with the prudence principle.

4.10. Principle of recognizing loans and financial lease liabilities

Loans and financial lease liabilities with repayment terms exceeding 12 months from the date of the financial statements are presented as long-term loans and financial lease liabilities. Amounts due for repayment within the next 12 months from the financial statement date are presented as short-term loans and financial lease liabilities to ensure proper payment planning.

When preparing the financial statements, the balances of loans and financial lease liabilities in foreign currency are revalued according to the actual exchange rate at the time the financial statements are prepared.

The exchange rate differences arising from the settlement and revaluation of foreign currency loans and financial lease liabilities at the end of the period are recorded as income or financial expenses.

4.11. Principle of recognizing and capitalizing borrowing costs

Borrowing costs are recognized as production and business expenses in the period when incurred, except for borrowing costs directly related to the construction investment or production of assets under construction, which are capitalized into the value of those assets (capitalized) when the conditions specified in Vietnam Accounting Standard No. 16 "Borrowing Costs" are met.

Borrowing costs directly related to the investment in the construction or production of assets under construction that require a significant amount of time (more than 12 months) before they can be used for their intended purpose or sold, are capitalized into the value of those assets. This includes interest on loans, amortization of discounts or premiums on bond issuance, and any ancillary costs incurred during the borrowing process.

4.12. Principle of recognizing equity

Recognition of owners' contributions, share capital surplus, convertible bond options, and other equity from owners

The owners' investment is recognized according to the actual amount contributed by the owners. Share capital surplus is recognized based on the difference, either greater or smaller, between the actual issue price and the par value of shares when the shares are issued for the first time, issued additionally, or reissued from treasury stock. Direct costs related to issuing additional shares or reissuing treasury stock are deducted from share capital surplus.

Recognition of undistributed profit

Undistributed after-tax profit is the profit from the Company's operations after deducting (-) adjustments due to retrospective application of accounting policy changes and retrospective correction of material prior period errors. The undistributed after-tax profit can be distributed to investors based on their shareholding ratio, following approval by the Board of Directors and after making provisions for reserves as per the Company's charter and the regulations of Vietnamese law.

4.13. Revenue Recognition

Sales Revenue

Sales revenue is recognized when all five (5) of the following conditions are simultaneously satisfied:

- (a) The company has transferred most of the risks and rewards associated with the ownership of the product or goods to the buyer;
- (b) The company no longer retains control over the goods as the owner or has management rights over the goods;
- (c) The revenue can be reliably determined;
- (d) The company will receive the economic benefits from the sales transaction;
- (e) The costs related to the sales transaction can be reliably determined.

Financial Revenue

Revenue arising from interest, royalties, dividends, profit-sharing, and other financial income is recognized when both of the following two (2) conditions are met simultaneously:

- It is probable that economic benefits will be obtained from the transaction.
- Revenue can be reliably measured.

Interest income on deposits is recognized on an accrual basis, determined based on deposit balances and applicable interest rates (if any, and if interest income is deemed significant).

Interest from investments is recognized when the Company has the right to receive the interest (if any, and if interest income is deemed significant).

Dividends and profit-sharing are recognized when the Company has the right to receive the dividend or profit from its capital contribution.

Other Income

This reflects income arising from activities outside the core production and business operations of the company, including:

- Income from the sale or liquidation of fixed assets (TSCD);
- Fines received from customers for breach of contract;
- Compensation received from third parties to cover losses to assets (e.g., insurance compensation, compensation for relocating business facilities, and similar items);
- Income from bad debts that have been written off;
- Income from liabilities that cannot be identified with a creditor;
- Other income not covered by the categories above.

4.14. Accounting principles for Cost of Goods Sold (COGS)

This reflects the cost of products, goods, services, and the production cost of construction products sold during the period.

Provision for inventory write-downs is included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value being lower than the original cost of the inventory.

When selling products or goods with accompanying equipment or spare parts, the value of the equipment and spare parts is recorded in the cost of goods sold.

For inventory losses or damages, the cost is immediately included in the cost of goods sold (after deducting any compensation, if applicable).

For direct material consumption costs exceeding the normal level, labor costs, and fixed production overhead costs not allocated to the product cost in stock, these costs are immediately included in the cost of goods sold (after deducting any compensation, if applicable), even if the products or goods have not yet been recognized as sold.

Import taxes, special consumption taxes, and environmental protection taxes that are included in the purchase value of goods, when refunded upon the sale of the goods, are deducted from the cost of goods sold.

Cost of goods sold expenses are not considered deductible for corporate income tax (CIT) purposes according to tax laws. However, if they are fully supported by invoices and receipts and have been accounted for correctly according to the company's accounting policies, they are not reduced from accounting costs but are adjusted during the CIT settlement to increase the amount of CIT payable.

4.15. Accounting principles for financial expenses

Financial expenses reflect costs or losses related to financial activities, including expenses or losses related to financial investments, borrowing and lending costs, joint venture and affiliate contributions, losses from the sale of short-term securities, securities transaction costs; provision for the decline in the value of trading securities, provision for investment loss in other entities, losses incurred from the sale of foreign currencies, and foreign exchange losses, etc.

Financial expenses are not considered deductible expenses for corporate income tax (CIT) purposes according to tax laws. However, if they are fully supported by invoices and receipts and have been accounted for correctly according to the company's accounting policies, they are not reduced from accounting costs but are adjusted during the CIT settlement to increase the amount of CIT payable.

4.16. Accounting principles for selling expenses and general administrative expenses

Selling expenses include actual costs incurred in the process of selling products, goods, or providing services, including costs related to sales promotions, product introductions, advertising, sales commissions, product warranties (excluding construction activities), storage, packaging, transportation, etc.

General administrative expenses include costs related to the salaries of employees in the company's management department (wages, salaries, allowances, etc.); social insurance, health insurance, union fees, and unemployment insurance for management employees; office materials, tools and equipment, depreciation of fixed assets used for business management; land rent, business license tax; provision for bad debts; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); other expenses (entertainment, customer meetings, etc.).

Selling expenses and general administrative expenses are not considered deductible expenses for corporate income tax (CIT) purposes according to tax laws. However, if they are fully supported by invoices and receipts and have been accounted for correctly according to the company's accounting policies, they are not reduced from accounting costs but are adjusted during the CIT settlement to increase the amount of CIT payable.

4.17. Principles and methods for recognizing current corporate income tax expense and deferred corporate income tax expense

Current corporate income tax expense

Current corporate income tax expense is the amount of corporate income tax payable based on taxable income for the year and the applicable corporate income tax rate.

Tax assets and liabilities for the current year and previous years are determined by the amounts expected to be payable to (or recoverable from) the tax authorities, based on the tax rates and tax laws in effect at the end of the fiscal year.

Deferred income tax expense

Deferred corporate income tax expense is the amount of corporate income tax that will be payable in the future arising from:

- The recognition of deferred tax liabilities in the year;
- The reversal of deferred tax assets previously recognized from prior years.

4.18. Other accounting principles and methods

4.18.1. Basis of financial statements preparation

The financial statements are presented based on the historical cost principle.

The financial statements of the Company are prepared based on the aggregation of transactions and events that have occurred and are recorded in the accounting books at the Company's office.

4.18.2. Related parties

Entities, individuals, either directly or indirectly through one or more intermediaries, that have control over the Company or are controlled by the Company, or are under common control with the Company, including parent companies, subsidiaries, and associates, are considered related parties. Related parties also include entities or individuals, either directly or indirectly holding voting rights in the Company that significantly influence the Company, key management personnel such as directors and officers of the Company, close family members of these individuals or related entities, or companies associated with these individuals.

In considering each relationship with related parties, attention should be paid to the nature of the relationship, not just the legal form of these relationships.

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5. CASH AND CASH EQUIVALENTS

	31/12/2025	01/01/2025
	VND	VND
Cash on hand	454,972,541	7,852,596,810
Cash at bank	129,567,801	881,140,342
	584,540,342	8,733,737,152

6. FINANCIAL INVESTMENTS

	31/12/2025		01/01/2025	
	Original cost	Book value	Original cost	Book value
	VND	VND	VND	VND
a. Held-to-maturity investments	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Development Commercial Joint Stock Bank of Ho Chi Minh - Hai Phong Branch (*)	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000

(*) 1-year term deposit contract, deposit interest rate: 5.4% per annum

7. SHORT-TERM RECEIVABLES FROM CUSTOMERS

	31/12/2025	01/01/2025
	VND	VND
Short-term	390,050,731,831	389,629,220,935
a. Receivables from customers	379,283,402,238	378,861,891,342
Tan An Joint Stock Company	134,225,113,612	134,225,113,612
Phu Viet Investment and Development Jsc.	138,920,055,754	138,920,055,754
Phu Hoang Phat Construction Trading Service Co., Ltd.	101,730,497,200	101,730,497,200
Other receivables	4,407,735,672	3,986,224,776
b. Receivables from related parties	10,767,329,593	10,767,329,593
3GR Investment Joint Stock Company	10,767,329,593	10,767,329,593
	390,050,731,831	389,629,220,935

8. SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2025	01/01/2025
	VND	VND
Short-term	218,962,101,365	219,232,159,404
a. Others	146,742,853,255	147,012,911,294
Tongkook international trading co., limited	138,716,007,074	138,716,007,074
Other	8,026,846,181	8,296,904,220
b. Related parties	72,219,248,110	72,219,248,110
3GR Investment Joint Stock Company	72,219,248,110	72,219,248,110
	218,962,101,365	219,232,159,404

9. LOAN RECEIVABLES

	31/12/2025		01/01/2025	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Long-term	-	-	24,166,370,318	-
Dai Cuong Group Joint Stock Company (*)	7,697,795,818	-	24,045,370,318	-
Others	99,000,000	-	121,000,000	-
	7,796,795,818	-	48,332,740,636	-

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(*) Loan to Dai Cuong Group Joint Stock Company under contract No. TC18032021/HDVT dated March 18, 2021, amount of VND 70,000,000,000. Loan term is 12 months from the date the borrower receives the money, loan interest rate is 9%/year. The loan is unsecured, the purpose of the loan is for business activities. On March 17, 2022, Contract Appendix No. 01/TC18032021/HDVT/PL signed between Duc Quan Investment and Development Joint Stock Company and Dai Cuong Group Joint Stock Company changed the loan term to 60 months from the date the borrower receives the money.

10. OTHER RECEIVABLES

	31/12/2025		01/01/2025	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
	54,845,986,828	-	55,043,819,501	-
	54,845,986,828	-	55,043,819,501	-
Advances	75,547,787	-	200,547,787	-
Receivables from interest	3,276,970,543	-	3,276,970,543	-
New City Real Estate Jsc.	50,000,000,000	-	50,000,000,000	-
(*)				
Other receivables	1,493,468,498	-	1,566,301,171	-
	54,845,986,828	-	55,043,819,501	-

(*) Accounts receivable from New City Real Estate Joint Stock Company under Investment Cooperation Contract No. 06/2019 between Duc Quan Investment and Development Joint Stock Company (Investor) and New City Real Estate Joint Stock Company (Company), signed on June 5, 2019, regarding the investment and construction project of a residential area in accordance with the urban planning standards issued in Decision No. 3249/QD-UBND dated December 31, 2014, approving the adjustment of the 1/500-scale detailed planning for the Southern Urban Area of Thai Binh City, Thai Binh Province. The land area for the entire project is 490,185.3 square meters to build subdivided houses, commercial buildings, parks, roads, and technical infrastructure. Accordingly, the Investor agrees to contribute capital to develop the project with an amount of VND 50,000,000,000, to be contributed before December 31, 2019; the Investor will transfer the capital contribution to the contribution account; the implementation of the investment cooperation contract will be completed within 24 months from the effective date of the contract. After the project is successfully completed, the Company is responsible for handing over 15 villa plots with an area of 6,000 m² to the Investor for exploitation and use, or the Company must repay the full capital contribution along with interest at an annual rate of 7%, calculated on the total amount the Investor has contributed, from the date the Investor transferred the contribution to the contribution account until the Company has fully repaid.

11. BAD DEBT

	31/12/2025		01/01/2025	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Overdue receivables				
Phu Hoang Phat	101,730,497,200	-	101,730,497,200	-
Construction, Trade and Service LLC				
Tan An Jsc.	134,225,113,612	-	134,225,113,612	-
Phu Viet Investment and Development Jsc	138,920,055,754	-	138,920,055,754	0
3GR Investment Joint Stock Company	82,986,577,703	-	82,986,577,703	-
Other	7,828,373,947	-	7,828,373,947	-
	465,690,618,216	-	465,690,618,216	-

12. INVENTORIES

	31/12/2025		01/01/2025	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	125,233,966,442	-	100,514,255,627	-
Tools and equipment	687,674,909	-	727,325,938	-
Finished goods	22,378,218,714	-	48,748,786,797	-
	148,299,860,065	-	149,990,368,362	-

13. PREPAID EXPENSES

	31/12/2025	01/01/2025
	VND	VND
a. Short-term	609,191,146	692,217,115
Other short-term prepaid expenses	609,191,146	692,217,115
b. Long-term	1,620,066,325	2,261,930,367
Tool and equipment	1,493,757,683	2,074,147,163
Other long-term prepaid expenses	126,308,642	187,783,204
Total	2,229,257,471	2,954,147,482

14. TANGIBLE FIXED ASSETS (APPENDIX 01)

15. INTANGIBLE FIXED ASSETS

	Computer Software	Total
	VND	VND
ORIGINAL COST		
At 01/01/2024	7,944,995,383	7,944,995,383
At 31/12/2024	7,944,995,383	7,944,995,383
ACCUMULATED DEPRECIATION		
At 01/01/2024	6,105,816,264	6,105,816,264
Depreciation during the year	919,589,544	919,589,544
At 31/12/2024	7,025,405,808	7,025,405,808
NET VALUE		
At 01/01/2024	1,839,179,119	1,839,179,119
At 31/12/2024	919,589,575	919,589,575

16. LONG-TERM ASSET IN PROGRESS

	31/12/2025	01/01/2025
	VND	VND
Construction in progress		
Duc Quan 6 Spinning Factory Project	64,098,399,230	64,048,708,230
	64,098,399,230	64,048,708,230

17. SHORT-TERM ACCOUNT PAYABLE TO SUPPLIERS

	31/12/2025		01/01/2025	
	Value	Ability to pay debts	Value	Ability to pay debts
	VND	VND	VND	VND
Others	51,024,501,869	51,024,501,869	49,041,942,433	49,041,942,433
Zhejiang Hengyi Petrochemicals Co.,Ltd	-	-	-	-
Hoa Thang Co. Ltd	212,373,130	212,373,130	251,173,130	251,173,130
Trinh Trung L.A Co. Ltd	15,050,601,784	15,050,601,784	20,870,601,784	20,870,601,784
Central Seafood Export-Import Joint Stock	19,180,435,650	19,180,435,650	19,180,435,650	19,180,435,650
Payables to other entities	11,684,361,195	11,684,361,195	6,840,196,779	6,840,196,779
	51,024,501,869	51,024,501,869	49,041,942,433	49,041,942,433

18. ADVANCES FROM CUSTOMERS

	31/12/2025	01/01/2025
	VND	VND
Short-term	10,426,116,367	13,203,737,507
Others	10,426,116,367	13,203,737,507
Hoang Quan Garment Company Limited	-	1,590,868,337
Duc Hieu Company Limited	5,115,207,771	4,492,824,404
Others	5,310,908,596	7,120,044,766
	10,426,116,367	13,203,737,507

19. TAXES AND OTHER RECEIVABLES/PAYABLES FROM THE STATE BUDGET (APPENDIX 02)

20. ACCRUED EXPENSES

	31/12/2025	01/01/2025
	VND	VND
a. Short-term	666,432,725,122	587,099,485,624
Interest expense on Vietnam Development Bank - Thai Binh Branch (*)	405,528,503,569	368,471,721,315
Interest expense on Vietnam Joint Stock Commercial Bank for Investment and Development	260,904,221,553	218,627,764,309
Other accrued expenses	-	-
	666,432,725,122	587,099,485,624

(*) According to the amendment contract No. 01A/2014/HDODA-NHPT dated December 31, 2014, and the amendment contract No. 03/2014/HDTDDT-NHPT dated December 31, 2014, with Vietnam Development Bank - Thai Binh Branch, the total interest accrued but not paid as of November 30, 2014, is VND 46,898,504,116. This interest will be paid according to the detailed repayment schedule in the contract from 2016 until January 2023. Interest expenses incurred from December 1, 2014, will be paid monthly. According to the contract inheriting the rights and obligations of the credit contract No. 05/2015/HDTD-NHPT dated December 31, 2015, with Vietnam Development Bank - Thai Binh Branch, the total interest accrued but not paid as of September 30, 2014, is VND 82,522,519,923. This interest will be paid according to the detailed repayment schedule in the contract from 2016 until Q1 2025. Interest expenses incurred from December 1, 2014, will be paid monthly.

As of 31/12/2024, the overdue interest from Vietnam Development Bank - Thai Binh Branch that has not been extended is 368,471,721,315 VND

21. UNEARNED REVENUE

	31/12/2025	01/01/2025
	VND	VND
Short-term	-	-
Revenue received in advance from factory rental	38,333,333	525,609,091
	38,333,333	525,609,091

22. OTHER PAYABLES

	31/12/2025	01/01/2025
	VND	VND
Short-term		
Union Funds	153,684,000	236,223,000
Social Insurance, Health Insurance, Unemployment	16,604,139,413	17,082,473,965
Short-term collateral, deposits	7,508,543,524	7,819,043,524
Other Payables	2,116,575,000	2,483,686,111
Total	26,382,941,937	27,621,426,600

23. LOANS AND FINANCE LEASES (details in appendix 03).

24. OWNERS' EQUITY

a. Statement of changes in equity

	Owner's investment capital	Development investment fund	Undistributed after- tax profit	Total
	VND	VND	VND	VND
Balance as of 01/01/2023	500,000,000,000	9,142,927,632	(1,216,094,637,430)	(706,951,709,798)
Profit for the year	-	-	(127,288,890,722)	(127,288,890,722)
Balance as of 01/01/2024	500,000,000,000	9,142,927,632	(1,343,383,528,152)	(834,240,600,520)
Profit for the year	-	-	(155,263,332,625)	(155,263,332,625)
Balance as of 31/12/2024	500,000,000,000	9,142,927,632	(1,498,646,860,777)	(989,503,933,145)

b. Capital transactions with owners

	2025	2024
	VND	VND
Owners' investment capital		
- Capital contribution at the beginning of the year	500,000,000,000	500,000,000,000
- Increased Capital contributions in the year	-	-
- Decreased Capital contributions in the year	-	-
- Capital contribution at the end of the period	500,000,000,000	500,000,000,000

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c. Shares

	31/12/2025	01/01/2025
	Share	Share
Number of shares registered for issuance.	50,000,000	50,000,000
Number of shares sold to the public.		
- <i>Common shares</i>	50,000,000	50,000,000
Number of shares repurchased		
- <i>Common shares</i>		
Number of shares outstanding		
- <i>Common shares</i>	50,000,000	50,000,000
Par value of outstanding shares (10,000 VND per share)		

25. REVENUE

	2025	2024
	VND	VND
Revenue from sale of finished goods	177,301,515,267	150,614,224,265
Revenue from provision of services	12,605,878,317	31,183,726,380
Other revenue	2,006,437,500	1,127,045,453
	191,913,831,084	182,924,996,098

26. DEDUCTIONS

	2025	2024
	VND	VND
Sales returns	75,473,996	145,358,196
	75,473,996	145,358,196

27. NET REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	2024	2023
	VND	VND
Revenue from sale of finished goods	177,301,515,267	150,468,866,069
Revenue from provision of services	12,605,878,317	31,183,726,380
Other revenue	1,930,963,504	1,127,045,453
	191,838,357,088	182,779,637,902

28. COST OF GOODS SOLD

	2025	2024
	VND	VND
Cost of goods sold (finished products)	191,574,288,207	149,173,489,158
Cost of goods sold (merchandise)	37,582,447,270	32,651,623,328
Other costs	783,906,326	465,648,559
	229,940,641,803	182,290,761,045

29. FINANCIAL REVENUE

	2025	2024
	VND	VND
Interest on bank deposits	82,211,273	457,284,567
Foreign exchange gain	641,986,728	6,041,946,132
Lãi bán hàng trả chậm		
	949,519,555	6,499,230,699

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30. FINANCIAL EXPENSES

	2025	2024
	VND	VND
Interest expense	77,497,825,433	76,004,305,555
Foreign exchange loss	7,802,820,613	15,363,668,975
Chi phí khác	-	-
	85,434,600,873	91,367,974,530

31. SELLING AND ADMINISTRATIVE EXPENSES

	2025	2024
	VND	VND
Administrative expenses incurred during the period.	11,090,812,646	88,073,001,507
Management expenses	5,155,592,000	6,499,507,721
Depreciation of fixed assets	2,312,064,531	2,423,141,300
Tools and equipment expenses	3,516,261	41,940,829
Outsourcing service costs	36,508,375	450,000
Other cash expenses	3,583,131,479	4,726,673,547
Provision for doubtful receivables	-	74,381,288,110
Selling expenses incurred during the period.	992,020,822	1,795,892,105
Material and packaging expenses	896,301,335	-
Other monetary expenses	95,719,487	1,795,892,105
Total	12,082,833,468	89,868,893,612

32. OTHER INCOME

	2025	2024
	VND	VND
Income from leasing infrastructure.	0	2,287,878,182
Other income	653,277,258	2,071,504,380
Các khoản thu nhập khác	0	106,274,092,278
	653,277,258	110,633,474,840

33. OTHER EXPENSES

	2025	2024
	VND	VND
Late payment penalties for insurance	729,772,598	886,747,759
Depreciation expense for fixed assets	0	34,050,488,370
Employee salary expenses	2,566,793,000	14,646,608,091
Infrastructure leasing expenses	0	891,935,400
Other expenses	17,949,844,784	13,197,825,356
	21,246,410,382	63,673,604,976

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34. BASIC EARNINGS PER SHARE

Profit used to calculate basic earnings per share

	2025	2024
	VND	VND
Profit for basic earnings per share calculation	(155,263,332,625)	(127,288,890,722)
Adjustments (Provision for bonus and welfare fund)		-
Profit for basic earnings per share calculation	<u>(155,263,332,625)</u>	<u>(127,288,890,722)</u>

Shares

	2025	2024
	Share	Share
Weighted average number of common shares outstanding for basic earnings per share calculation	50,000,000	50,000,000
Basic earnings per share (VND/share)	<u>(3,105)</u>	<u>(2,546)</u>

35. COST OF PRODUCTION AND BUSINESS BY FACTOR

	2025	2024
	VND	VND
Cost of materials and supplies	133,513,553,504	126,852,015,361
Labor costs	30,641,736,105	36,109,094,270
Depreciation of fixed assets	47,082,332,354	48,053,678,456
Outsourced service costs	36,432,729,519	43,709,542,693
Other cash expenses	8,983,986,689	92,392,595,103
	<u>256,654,338,171</u>	<u>347,116,925,883</u>

36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties:

Relationship

3Gr Investment Joint Stock Company

Related company

The balance of related parties at the end of the fiscal year

The balance of related parties at the end of the fiscal year is presented in Notes 7, 8.

37. REMUNERATION OF THE BOARD OF DIRECTORS AND COMPANY MANAGEMENT

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No	FULL NAME	POSITION	INCOME UNTIL 31/12/2025	
			Salary	Remuneration
I	BOARD OF DIRECTORS		-	360,000,000
1		Le Manh Thuong - Chairman	-	96,000,000
2		Do Van Sinh - Member; General Director	-	60,000,000
3		Nguyen Hoang Giang - Member	-	60,000,000
4		Tran Xuan Tien - Member, Deputy	-	60,000,000
5		Dao Thi Hue - Member	-	60,000,000
6		Luu Thi Thuy Minh - Secretary of the	-	24,000,000
II	AUDIT COMMITTEE		-	60,000,000
1		Nguyen Hoang Giang - Head of the Commi	-	36,000,000
2		Dao Thi Hue - Member	-	24,000,000
III	MANAGEMENT BOARD		780,000,000	-
1		Do Van Sinh - General Director	300,000,000	-
2		Tran Xuan Tien - Deputy General Director	240,000,000	-
4		Dao Van Nam - Chief Accountant	240,000,000	-
	TOTAL		780,000,000	420,000,000

38. EVENTS AFTER THE END OF THE REPORTING PERIOD

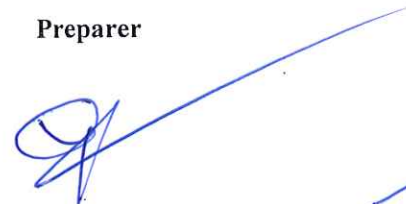
There are no significant events occurring after the end of the reporting period that require adjustment or disclosure in this financial statement.

39. COMPARATIVE FIGURES

The comparative figures are the financial statement figures for the fiscal year ended December 31, 2024, of Duc Quan Investment and Development Joint Stock Company audited by Vietnam Auditing and Valuation Company Limited (AVA).

Hung Yen, 27 March, 2026

Preparer



Tran Thi Quy

Chief Accountant



Dao Van Nam

General Director



Do Van Sinh

APPENDIX 01: STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS

	Factory Buildings and Structures	Machinery and Equipment	Vehicles	Office Equipment	Total
	VND	VND	VND	VND	VND
ORIGINAL COST					
At 01/01/2024	165,713,598,201	838,745,570,998	2,003,636,364	3,958,324,543	1,010,421,130,106
At 31/12/2024	165,713,598,201	838,745,570,998	2,003,636,364	3,958,324,543	1,010,421,130,106
ACCUMULATED DEPRECIATION					
At 01/01/2024	85,929,943,902	732,097,349,793	1,652,153,876	3,012,639,366	822,692,086,937
Depreciation during the year	7,218,200,428	38,362,149,499	109,550,115	472,842,768	46,162,742,810
At 31/12/2024	93,148,144,330	770,459,499,292	1,761,703,991	3,485,482,134	868,854,829,747
NET BOOK VALUE					
At 01/01/2024	79,783,654,299	106,648,221,205	351,482,488	945,685,177	187,729,043,169
At 31/12/2024	72,565,453,871	68,286,071,706	241,932,373	472,842,409	141,566,300,359

In which:

The original cost of the fully depreciated fixed assets still in use as of 31/12/2024 is: 380,544,978,423 VND
 As of 31/12/2024, all fixed assets have been used as collateral for bank loans.

APPENDIX 02: DETAILS OF TAXES PAYABLE/RECEIVABLE TO THE STATE

	01/01/2025		Amount incurred during the year		Amount paid during the year		31/12/2025	
	Receivables	Payables	VND	VND	VND	VND	Receivables	Payables
	VND	VND					VND	VND
VAT (Value Added Tax)	260,798,767	-	45,678,530,291	45,542,756,695	125,025,171	-	125,025,171	-
- Output VAT	260,798,767	-	33,131,648,329	32,995,874,733	125,025,171	-	125,025,171	-
- VAT on imported goods	-	-	12,546,881,962	12,546,881,962	-	-	-	-
Personal Income Tax	-	21,808,877	70,338,990	69,880,268	-	22,267,599	-	22,267,599
Land Lease Tax	-	-	527,412,900	413,434,644	-	113,978,256	-	113,978,256
Import and Export Tax	-	-	249,953,583	249,953,583	-	-	-	-
Taxes and other payables to the State	-	-	326,167,841	314,167,841	-	12,000,000	-	12,000,000
Other Taxes	-	-	6,309,369	6,309,369	-	-	-	-
Total	260,798,767	21,808,877	46,858,712,974	46,596,502,400	-	125,025,171	-	125,025,171

DUC QUAN INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Lot A3, Nguyen Duc Canh Industrial Park, Tran Thai Tong Street, Thai Binh Ward, Hung Yen Province.

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APPENDIX 03: DETAILED STATEMENT OF SHORT-TERM AND LONG-TERM BORROWINGS AND FINANCIAL LEASE LIABILITIES

	01/01/2025		During the year		31/12/2025	
	Value	Debt repayment ability amount	Increase	Decrease	Value	Debt repayment ability amount
	VND	VND	VND	VND	VND	VND
Short-term loans						
Loans in VND						
<i>Bank for Investment and Development of Vietnam (BIDV) - Bac Hanoi Branch (1)</i>	298,310,551,358	298,310,551,358	-	390,000,000	297,920,551,358	297,920,551,358
	298,310,551,358	298,310,551,358	-	390,000,000	297,920,551,358	297,920,551,358
Loans in USD						
<i>Bank for Investment and Development of Vietnam (BIDV) - Bac Hanoi Branch (1)</i>	140,596,932,600	140,596,932,600	4,924,827,000	379,679,400	145,142,080,200	145,142,080,200
	140,596,932,600	140,596,932,600	4,924,827,000	379,679,400	145,142,080,200	145,142,080,200
Long-term loans due for repayment (See detailed explanation for long-term loans)	346,364,766,365	346,364,766,365	8,527,827,629	63,472,339	354,829,121,655	354,829,121,655
Total	785,272,250,323	785,272,250,323	13,452,654,629	833,151,739	797,891,753,213	797,891,753,213

(1) Short-term loan from Bank for Investment and Development of Vietnam (BIDV) - Bac Hanoi Branch under the credit line agreement No. 01/2019/1497403/HBTD dated 30/07/2019. The short-term loan and Letter of Credit (LC) limit is VND 570 billion, of which the maximum short-term loan outstanding is VND 270 billion. The discount limit is VND 100 billion. The loan purpose is to supplement working capital, provide guarantees, and open L/Cs. The credit line period is 6 months from the date of signing the contract but no later than 31/01/2020. The loan term and interest rate are determined based on each specific credit agreement. Collateral includes machinery assets in the production line of 1,740 tons, auxiliary material warehouse, mortgage agreement for the ownership of an apartment signed on 13/06/2016, between Mr. Le Manh Thuong, Mrs. Bui Thi Hang, and the bank, pledge agreement No. 01/2017/1497403/CC/HDBD dated 20/02/2017, signed between the Company and the bank, stitching machines, baling machines, rough carding machines, fiber strength testing machines, server system, and other supporting assets.

Amendment document to the credit agreement No. 01.3/2019/1497403/HBTD dated 09/06/2020, extending the validity of the short-term credit limit for 2019-2020 under the above credit limit agreement until 30/09/2020.

	01/01/2025		During the year		31/12/2025	
	Value	Debt repayment ability amount	Increase	Decrease	Value	Debt repayment ability amount
	VND	VND	VND	VND	VND	VND
Long-term Loans	354,069,293,365	354,069,293,365	759,828,290	-	354,829,121,655	354,829,121,655
Company's long-term loans	94,497,677,517	94,497,677,517	300,572,290	-	94,798,249,807	94,798,249,807
Loans in VND	85,199,950,445	85,199,950,445	-	-	85,199,950,445	85,199,950,445
Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (2)	57,030,751,685	57,030,751,685	-	-	57,030,751,685	57,030,751,685
Vietnam Development Bank (VDB) - Thai Binh Branch (3)	28,169,198,760	28,169,198,760	-	-	28,169,198,760	28,169,198,760
Loans in USD	9,297,727,072	9,297,727,072	300,572,290	-	9,598,299,362	9,598,299,362
Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (2)	9,297,727,072	9,297,727,072	300,572,290	-	9,598,299,362	9,598,299,362
Inherited Loans from Dai Cuong Group Joint Stock Company	259,571,615,848	259,571,615,848	459,256,000	-	260,030,871,848	260,030,871,848
Loans in VND	245,365,259,848	245,365,259,848	-	-	245,365,259,848	245,365,259,848
Vietnam Development Bank (VDB) - Thai Binh Branch (4)	237,605,259,848	237,605,259,848	-	-	237,605,259,848	237,605,259,848
Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (5)	7,760,000,000	7,760,000,000	-	-	7,760,000,000	7,760,000,000
Loans in USD	14,206,356,000	14,206,356,000	459,256,000	-	14,665,612,000	14,665,612,000
Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (5)	14,206,356,000	14,206,356,000	459,256,000	-	14,665,612,000	14,665,612,000
Less Long-term Debt Due (Presented in the section on Short-term Loans and Debts)	346,364,766,365	346,364,766,365	8,527,827,629	63,472,339	354,829,121,655	354,829,121,655
Total	7,704,527,000	7,704,527,000	-	-	-	-

Details of long-term debt due for repayment

	01/01/2025		31/12/2025	
	Value	Debt repayment ability amount	Value	Debt repayment ability amount
	VND	VND	VND	VND
Company's Loans				
Loans in VND				
<i>Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (2)</i>	94,497,667,853	94,497,667,853	94,798,240,143	94,798,240,143
<i>Vietnam Development Bank (VDB) - Thai Binh Branch (3)</i>	85,199,940,781	85,199,940,781	85,199,940,781	85,199,940,781
Loans in USD				
<i>Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (2)</i>	34,604,379,432	34,604,379,432	34,604,379,432	34,604,379,432
<i>Vietnam Development Bank (VDB) - Thai Binh Branch (3)</i>	50,595,561,349	50,595,561,349	50,595,561,349	50,595,561,349
Inherited Loans from Dai Cuong Group Joint Stock Company				
Loans in VND				
<i>Vietnam Development Bank (VDB) - Thai Binh Branch (4)</i>	9,297,727,072	9,297,727,072	9,598,299,362	9,598,299,362
<i>Vietnam Joint Stock Commercial Bank for Investment and Development - Hanoi Branch (5)</i>	9,297,727,072	9,297,727,072	9,598,299,362	9,598,299,362
Total	251,867,098,512	251,867,098,512	260,030,881,512	260,030,881,512
	237,660,742,512	237,660,742,512	245,365,269,512	245,365,269,512
	229,900,742,512	229,900,742,512	237,605,269,512	237,605,269,512
	7,760,000,000	7,760,000,000	7,760,000,000	7,760,000,000
	14,206,356,000	14,206,356,000	14,665,612,000	14,665,612,000
	14,206,356,000	14,206,356,000	14,665,612,000	14,665,612,000
Total	346,364,766,365	346,364,766,365	354,829,121,655	354,829,121,655

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(2) Contract No. 150/2007/0320 dated 06/03/2007 and the supplementary document of the long-term credit contract No. 150/2007/0320/PL dated 06/10/2016, with a total loan amount of 49 billion VND, including foreign currency converted, and not exceeding 70% of the total actual investment capital of the project. The purpose of the loan is to finance the machinery, equipment, and the construction of the factory building for the investment project of building the Dai Cuong Thai Binh textile factory with a capacity of 4,500 tons/year. The loan term is 84 months from the date of the first loan disbursement, and the final principal repayment period is in the fourth quarter of 2021. The interest rate is floating. The collateral for the loan includes all assets formed after investment from the company's own capital and the loan from the Bank for Investment and Development of Vietnam – Bac Ha Noi Branch, including the Duc Quan 2 Factory (with a capacity of 4,500 tons/year) and other assets owned by the company and third parties; revenue from economic contracts where the company is the beneficiary, the entire balance of the company's account at the Bank for Investment and Development of Vietnam – Bac Ha Noi Branch, and other credit institutions. Long-term loan agreement No. 15082000222569, loan amount 20,696,920,000 VND, disbursed on 28/09/2018. The loan term is 10 years. The purpose of the loan is to invest in the Duc Quan 6 factory.

(3) The long-term loan of the Company with Vietnam Development Bank (VDB) - Thai Binh Branch includes the following loan agreements:

(3.1) State Development Investment Credit Loan Agreement No. 03/2007/HĐTD dated 10/01/2007 and the amended and supplemented agreement No. 03/2014/HĐTDĐT - NHPT dated 31/12/2014. The total loan amount from the state investment credit fund is a maximum of 90,400,000,000 VND, but the total loan amount from both sources does not exceed 70% of the total fixed asset investment capital. The loan purpose is still for implementing the investment project of building the Dai Cuong Thai Binh spinning mill (Duc Quan 2 Factory). The loan term is 15 years from the receipt of the first loan, with the principal and interest payments due monthly starting from December 2014. For the interest payable but not yet paid by 30/11/2014, it will be repaid according to the repayment schedule in the amended and supplemented agreement from January 2016 to January 2023. The interest rate is 7.8% per annum, and the overdue interest rate is 150% of the in-term interest rate. The loan security is the assets formed from the company's own capital and the loan from VDB - Thai Binh Branch, including the Duc Quan 2 Factory (4,500 tons/year) of the Company, and other collateral assets of the Company, equivalent to at least 10% of the total loan amount to secure the loan.

(3.2) ODA KFW Loan Agreement No. 01/2007/HĐTD dated 10/01/2007 and the amended and supplemented agreement No. 01A/2014/HĐODA-NHPT dated 31/12/2014. The total loan amount from the ODA fund is a maximum of 34,600,000,000 VND, but the total loan amount from both sources does not exceed 70% of the total fixed asset investment capital. The loan purpose is to implement the investment project of building the Dai Cuong Thai Binh spinning mill (Duc Quan 2 Factory). The loan term is 15 years from February 2008, with monthly principal and interest payments starting from December 2014. For the interest payable but not yet paid by 30/11/2014, it will be repaid according to the repayment schedule in the amended and supplemented agreement from January 2016 to January 2023. The interest rate is 9% per annum, and the overdue interest rate is 150% of the in-term interest rate. The loan security includes assets formed from the company's own capital and the loan from VDB - Thai Binh Branch, including the Duc Quan 2 Factory (4,500 tons/year) of the Company, and other collateral assets of the Company, equivalent to at least 10% of the total loan amount to secure the loan.

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(4) According to the contract transferring rights and obligations of the credit contract No. 05/2015/HĐTD-NHPT dated 31/12/2015, the company received the transfer of all loans (including both principal and unpaid interest) corresponding to the assets contributed by Dai Cuong Group Joint Stock Company. The inherited loan follows the original contracts as follows:

(4.1) Contract No. 08/2008/HĐTD dated 26/03/2008. The loan term is 15 years from the date of receiving the first loan. The interest rate during the term is 6.9% per annum, and the overdue interest rate is 150% of the interest during the term. The loan balance at the time of inheritance is VND 205,304,527,000. The collateral is the machinery and equipment system formed after the investment (including both loan capital and equity capital) of the investment project for building Dai Cuong 5 factory (capacity of 8,700 tons/year); the benefits and income from the pledged assets.

(4.2) Contract No. 01/2011/HĐTDĐT-NHPT dated 28/01/2008. The loan term is 14 years from the date of receiving the first loan. The interest rate during the term is 9.6% per annum, and the overdue interest rate is 150% of the interest during the term. The loan balance at the time of inheritance is VND 82,700,000,000. The collateral is the machinery and equipment system formed after the investment (including both loan capital and equity capital) of the investment project for building Dai Cuong 5 factory (capacity of 8,700 tons/year); the benefits and income from the pledged assets.

(5) According to the long-term debt transfer agreement No. 150/1497403/HĐ/01 dated 31/12/2015, the Company receives the transfer of all loans (including both principal and unpaid interest) corresponding to the assets contributed by Dai Cuong Group Joint Stock Company. The loan transferred under the original contract No. 150/2006/151 dated 13/02/2006. The total amount of principal received is VND 27,500,000,000 and USD 556,000. The principal repayment term is quarterly, with the final principal repayment being in Q4 2020. The interest rate is floating. The collateral includes assets formed from the loan, including the factory and machinery of the PE workshop (at Dai Cuong 1 factory) of the Company; the deposit account at the bank, and receivables from economic contracts where the Company is the beneficiary.

As of 31/12/2025, the overdue loans amounted to VND 774,094,985,391. Of this, BIDV Bank - North Hanoi Branch has overdue payments of VND 485,894,154,530; Vietnam Development Bank - Thai Binh Branch has overdue payments of VND 288,200,830,861.

