



AUDIT AND ASSURANCE

**HUU NGHI GARMENT  
JOINT STOCK COMPANY**

Interim Financial Statements  
for the period from 01 January 2025 to 30 June 2025  
Has been reviewed

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## REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Huu Nghi Garment Joint Stock Company (the "Company") presents its report and the Company's financial statements for the period from 01 January 2025 to 30 June 2025.

### THE COMPANY

Huu Nghi Garment Joint Stock Company was a State-owned enterprise converted into a joint stock company under Decision No. 211/QĐ-TTg dated March 21, 2002 of the Prime Minister.

Business registration certificate number 0302641539 issued on June 5, 2002, the 12th amended business registration certificate issued on February 18, 2025 by the Department of Planning and Investment of Ho Chi Minh City.

Head office: 636 - 638 Nguyen Duy Street, Phu Dinh Ward, Ho Chi Minh City, Viet Nam.

**The Board of members, the Board of General Directors and Chief Accountant during the period and as at the date of this report are:**

#### *The Board of Members*

Mr. Ha Van Duyet	Chairman
Mr. Ha Van Nghia	Member
Ms. Vu Thi Thuy Duong	Member
Mr. Ha Van Long	Member
Mr. Le Mac Thuan	Member

#### *The Board of General Directors*

Mr. Ha Van Duyet	General Director
Mr. Ha Van Long	Deputy General Director
Mr. Ha Van Nghia	Deputy General Director
Mr. Pham Duc Ha	Deputy General Director
Mr. Ha Hai Ninh	Operating Director
Mr. Kieu Ngoc Manh Hung	Operating Director

#### *The Supervisory Board*

Mr. Duong Thanh Tung	Head of Board
Ms. Nguyen Thi Hang Nga	Member
Ms. Vu Thi Nu	Member

#### **Auditors**

NVA Auditing Company Limited has reviewed the company's financial statements.

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## REPORT OF THE BOARD OF GENERAL DIRECTORS (continued)

### Statement of the board of General Director's responsibility in respect of the financial statements

The Board of General Director is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of its operation results and cash flows for the year. In preparing those financial statements, the board of general director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, the Board of General Directors confirms that the financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, its operation results and cash flows for the period six months then ended in accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

On behalf of the Board of General Directors



~~Ha Van Duyet~~  
Deputy General Director

Dated 06 August 2025

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## INTERIM FINANCIAL STATEMENTS REVIEW REPORT

**To:** Shareholders, The Board of Members, the board of General Directors  
Huu Nghi Garment Joint Stock Company

We have reviewed the accompany interim financial statements of Huu Nghi Garment Joint Stock Company prepared on 06 August 2025, as set out on pages 05 to page 24, including Balance sheet as at 30 June 2025, the Income Statement, the Cash flow Statement for the period then ended and the Notes to the Financial Statement.

### The Board of General Director's responsibilities

The Company's Board of Directors is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprise and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of General directors determines necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial information consists of marking inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Auditor's conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of Huu Nghi Garment Joint Stock Company as at 30 June 2025 and of its results of operations and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### Other matter

The financial statements for the fiscal year ended December 31, 2024, and the financial statements for the accounting period from January 1, 2024 to June 30, 2024 were audited and reviewed, respectively, by a different audit firm and auditor, with an unqualified opinion as stated in the Independent Auditor's Report No. 1807.01.2/2024/BCTC-NTV2 dated March 8, 2025, and the Interim financial statements review report No. 1807.01.1/2024/BCTC-NTV2 dated August 13, 2024."

The independent auditor's report is prepared in Vietnamese and English. There should be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

NVA Auditing Company Limited

Deputy Director



Nguyễn Văn Tinh

Registered Auditor No. 3919-2022-152-1

Ho Chi Minh City, dated 06 August 2025

## BALANCE SHEET

As at 30 June 2025

Unit: VND

ASSETS	Code	Note	30/06/2025	01/01/2025
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>610.292.980.099</b>	<b>620.029.094.940</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	V.1	<b>141.192.487.436</b>	<b>323.365.091.248</b>
1. Cash	111		84.392.487.436	131.465.091.248
2. Cash equivalents	112		56.800.000.000	191.900.000.000
<b>II. Short-term accounts receivable</b>	<b>130</b>		<b>343.999.051.971</b>	<b>197.592.954.462</b>
1. Receivable from customers	131	V.2	315.140.323.089	179.303.686.240
2. Short-term prepayments to suppliers	132	V.3	2.201.856.009	324.708.326
3. Other receivable	136	V.4	26.656.872.873	17.964.559.896
<b>III. Inventories</b>	<b>140</b>	V.5	<b>79.439.612.680</b>	<b>64.717.891.381</b>
1. Inventories	141		79.439.612.680	64.717.891.381
<b>IV. Other current assets</b>	<b>150</b>		<b>45.661.828.012</b>	<b>34.353.157.849</b>
1. VAT deductible	152		45.572.304.169	34.263.634.006
2. Taxes and accounts receivable from the State	153	V.12	89.523.843	89.523.843
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>135.802.144.971</b>	<b>138.696.632.655</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>83.493.775.639</b>	<b>94.334.203.211</b>
1. Tangible assets	221	V.7	74.740.462.833	85.545.807.068
- Cost	222		362.622.232.360	360.765.201.041
- Accumulated depreciation	223		(287.881.769.527)	(275.219.393.973)
2. Intangible assets	227	V.8	8.753.312.806	8.788.396.143
- Cost	228		11.368.644.950	11.368.644.950
- Accumulated depreciation	229		(2.615.332.144)	(2.580.248.807)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>51.886.694.819</b>	<b>40.917.859.217</b>
1. Construction in progress	242	V.9	51.886.694.819	40.917.859.217
<b>III. Other long-term assets</b>	<b>260</b>		<b>421.674.513</b>	<b>3.444.570.227</b>
1. Long-term prepaid expenses	261	V.6	421.674.513	3.444.570.227
<b>TOTAL ASSETS</b>	<b>270</b>		<b>746.095.125.070</b>	<b>758.725.727.595</b>

**BALANCE SHEET (continued)**  
As at 30 June 2025

Unit: VND

CAPITAL SOURCES	Code	Note	30/06/2025	01/01/2025
<b>C. LIABILITIES</b>	<b>300</b>		<b>287.030.893.212</b>	<b>276.668.317.005</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>287.030.893.212</b>	<b>276.668.317.005</b>
1. Short-term payable to suppliers	311	V.10	31.427.890.178	38.758.463.516
2. Short-term advances from customers	312	V.11	30.009.646.179	38.144.509.114
3. Taxes and other obligations to the State Budget	313	V.12	10.289.725.249	21.509.863.759
4. Payable to employees	314		147.961.821.431	133.918.441.265
5. Other payable	319	V.13	1.109.894.239	1.115.817.599
6. Short-term financial leasehold loans and debts	320	V.14	13.223.107.127	-
7. Bonus and welfare funds	322		53.008.808.809	43.221.221.752
<b>D. OWNER'S EQUITY</b>	<b>400</b>		<b>459.064.231.858</b>	<b>482.057.410.590</b>
<b>I. Owner's equity</b>	<b>410</b>	V.15	<b>459.064.231.858</b>	<b>482.057.410.590</b>
1. Owner's contribution capital	411		237.789.000.000	237.789.000.000
- Common shares with voting right	411a		237.789.000.000	237.789.000.000
- Preferred shares	411b		-	-
2. Treasury stocks	415		(11.000.000)	(11.000.000)
3. Business promotion fund	418		165.869.028.795	108.439.361.400
4. Retained profit after tax	421		55.417.203.063	135.840.049.190
- Retained profit after tax accumulated by the end of the previous period	421a		29.936.178.621	29.936.178.621
- Retained profit after tax of the current period	421b		25.481.024.442	105.903.870.569
<b>TOTAL CAPITAL SOURCES</b>	<b>440</b>		<b>746.095.125.070</b>	<b>758.725.727.595</b>

Prepared by/ Chief Accountant



Vu Thi Ngat

Deputy General Director



Ha Van Duyet

Dated 06 August 2025

**INCOME STATEMENT**  
For the period from 01/01/2025 to 30/06/2025

Unit: VND

ITEMS	Code	Note	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
1. Revenue from sale of goods and rendering services	01		549.653.512.212	573.079.994.937
2. Deductions	02		-	-
3. Net sales	10	VI.1	549.653.512.212	573.079.994.937
4. Costs of goods sold and services rendered	11	VI.2	484.062.979.267	506.612.135.202
5. Gross profit	20		65.590.532.945	66.467.859.735
6. Financial income	21	VI.3	11.476.458.797	12.786.988.493
7. Financial expenses	22	VI.4	1.541.486.231	3.157.920.417
<i>In which: Loan interest expenses</i>	23		961.225	142.770.849
8. Selling expenses	25	VI.5	7.371.778.634	8.727.330.985
9. General administration expenses	26	VI.6	36.251.971.798	34.676.734.786
10. Net operating profit	30		31.901.755.079	32.692.862.040
11. Other income	31	VI.7	403.818.682	229.944.581
12. Other expense	32	VI.8	79.293.208	303.313.799
13. Other profit	40		324.525.474	(73.369.218)
14. Profit before tax	50		32.226.280.553	32.619.492.822
15. Current corporate income tax expense	51	VI.9	6.745.256.111	6.823.898.564
16. Deferred corporate income tax expenses	52		-	-
17. Profit after corporate income tax	60		25.481.024.442	25.795.594.258
18. Earnings per Share	70	VI.10	964	976

Prepared by/ Chief Accountant



Vu Thi Ngat

Deputy General Director



Ha Van Duyet

Dated 06 August 2025

**CASH FLOWS STATEMENT**  
For the period from 01/01/2025 to 30/06/2025

Unit: VND

Items	Code	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
<b>I. Cash flows from operating activities</b>			
1. Profit before tax	01	32.226.280.553	32.619.492.822
<b>2. Adjustments for</b>			
- Depreciation	02	12.789.257.591	11.530.647.851
- Gain and loss from exchange rate differences due to reevaluate monetary items denominated in foreign currencies	04	(311.741.741)	(124.925.328)
- Gains/losses from investing activities	05	(3.473.578.301)	(1.249.594.916)
- Loan interest expenses	06	961.225	142.770.849
<b>3. Profit from operating activities before changes in working capital</b>	<b>08</b>	<b>41.231.179.327</b>	<b>42.918.391.278</b>
- Increase/decrease in receivables	09	(157.713.609.474)	57.680.361.922
- Increase/Decrease in inventory	10	(14.721.721.299)	(80.876.295.696)
- Increase/Decrease in payables	11	38.643.565	59.750.692.160
- Increase/Decrease in prepaid expense	12	3.022.895.714	1.438.126.599
- Interest paid	14	(961.225)	(142.770.849)
- Income tax paid	15	(19.438.322.006)	(12.678.430.706)
- Other cash outflows from operating activities	17	(3.019.916.117)	(1.623.087.182)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(150.601.811.515)</b>	<b>66.466.987.526</b>
<b>II. Cash flows from investing activities</b>			
1. Purchases and construction of fixed assets	21	(12.917.665.621)	(5.910.018.866)
2. Receipts of loans given, dividends and profit shared	27	3.473.578.301	1.249.594.916
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(9.444.087.320)</b>	<b>(4.660.423.950)</b>
<b>III. Cash flows from financial activities</b>			
1. Receipts from loans	33	13.223.107.127	26.291.426.826
2. Dividends and profit shared to the owners	36	(35.666.700.000)	(35.666.700.000)
<b>Net cash flows from financial activities</b>	<b>40</b>	<b>(22.443.592.873)</b>	<b>(9.375.273.174)</b>
<b>Net cash flows during the period</b>	<b>50</b>	<b>(182.489.491.708)</b>	<b>52.431.290.402</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>323.365.091.248</b>	<b>257.963.398.852</b>
Effects of fluctuations in foreign exchange rates	61	316.887.896	183.806.730
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>141.192.487.436</b>	<b>310.578.495.984</b>

Prepared by/ Chief Accountant



Vu Thi Ngat

Deputy General Director



Ha Van Duyet

Dated 06 August 2025

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 01/01/2025 to 30/06/2025

### I. BACKGROUND

#### 1. The Company

Huu Nghi Garment Joint Stock Company is a State-owned enterprise converted into a joint stock company under Decision No. 211/QĐ-TTg dated March 21, 2002 of the Prime Minister.

Business registration certificate number 0302641539 issued on June 5, 2002, the 12th amended business registration certificate issued on December 09, 2024 by the Department of Planning and Investment of Ho Chi Minh City.

Head office: 636 - 638 Nguyen Duy Street, Phu Dinh Ward, Ho Chi Minh City, Viet Nam.

At the end of the period, the Company was 2.529 employees (2.481 employees at the beginning of the year).

#### 2. Principal activities

Principal activities of the Company were manufacturing, trading, and services.

#### 3. Business field

The business operation of the Company includes: Producing garment industry products; printing various types of labels; trading in equipment, sewing machine parts, and garment industry materials. Renting out factories, offices, residential houses, garment industry machinery and equipment, cars, and trucks; real estate business; constructing civil and industrial projects.

#### 4. Operating period

The normal operating period: 12 months.

### II. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

#### 1. Accounting period

Annual accounting period commences from 1st January and ends on 31st December.

#### 2. Accounting monetary unit

The Company maintains its accounting records in VND

### III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

#### 1. Accounting system

The Company applies the Vietnamese Enterprise Accounting Regime as promulgated under Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance guiding the corporate accounting regime in Vietnam, and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance amending certain provisions of Circular No. 200/2014/TT-BTC.

#### 2. Announcement on compliance with Vietnamese accounting standards and accounting system

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.



NOTES TO THE FINANCIAL STATEMENTS (continued)

IV. ACCOUNTING PRINCIPLE

1. The exchange rate applied in the accounting

Transactions in foreign currencies are converted into Vietnam dong at the actual exchange rate at the time of the transaction.

Actual exchange rates when assessing the monetary assets and liabilities denominated in foreign currencies at the date of the financial statements: As the exchange rate announced by commercial banks where regular business transactions in accordance with the following principles:

- Actual exchange rates when revaluation of monetary items denominated in foreign currencies are classified as assets: The purchase of foreign currency exchange rates of the commercial banks where regular business transactions at the time of making Financial report. For foreign currency accounts in banks, the real exchange rate when the revaluation is the buying rate of the bank where businesses open foreign currency accounts.

- Actual exchange rates when revaluation of monetary items denominated in foreign currencies are classified as liabilities is the rate of sale of foreign currency by commercial banks at the time the financial statements;

Foreign exchange differences arising in the period actual and exchange rate differences due to revaluation of balance of monetary items at the end of the period are recorded into income or financial expenses in the period.

2. Recognition of cash and cash equivalents

Transactions in currencies other than Vietnam dong are recorded at the rate of exchange ruling at the dates of transactions. Monetary assets denominated in foreign currencies are revalued at the bank buying rate issued by the Bank which the Company has account at the balance sheet date.

3. Recognition of receivables

Receivables are presented in the financial statements at the carrying amounts include commercial receivables generating from purchase-sale related transactions from sales, services and non-commercial or non-trading receivables. Allowance for doubtful debts are made when an overdue debt is unrecoverable according to time in which the principal is repaid according to the sale contract (exclusive of the debt rescheduling between contracting parties), or according to impairment expect to occur. Receivables are unrecoverable shall be eliminated.

When preparing financial statements, the receivables shall be classified into short-term receivables or long-term receivables according to their remaining terms.

4. Principle of evaluating inventories

Inventories are stated at original cost. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method.

The Corporation applies the perpetual method to record inventory.

Provisions for inventory obsolescence made at the end of the year are the excess of original cost of inventory over their net realizable value.

5. Recognition and allocation of prepaid expenses

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

The calculation and allocation of long-term prepaid expenses to profit and loss account in the period should be based on nature of those expenses to choose reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

**6. Recording principle of tangible and intangible fixed assets**

Fixed assets are stated at the original cost. During the using time, fixed assets are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- Building and structures	05 - 25 years
- Machinery and equipment	03 - 07 years
- Means of transportation	06 - 10 years
- Office equipment	03 - 07 years
- Computer software	03 - 05 years

**7. Recording principle of liabilities**

Liabilities are classified based on the nature of the underlying economic transactions.

Liabilities are presented as current or non-current on the balance sheet, based on the remaining maturity of the obligations as at the balance sheet date.

**8. Recognition and capitalization of borrowing costs**

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in SAV No. 16 "Borrowing costs".

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be included (capitalized) in the cost of that asset, includes interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

**9. Recognition of owner's equity**

Owner's equity is recognized by the real contributed capital.

Treasury shares were shares issued and subsequently repurchased by the Company. Treasury shares were recorded at their actual value and presented on the Balance Sheet as a deduction from Equity.

**10. Principles of recording revenue**

*Revenue from sale of goods*

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably.

*Revenue from rendering of services*

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognized by reference to the stage of completion at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

NOTES TO THE FINANCIAL STATEMENTS (continued)

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

*Financial income*

Income from interest, royalties and dividends and other financial income earned by the Corporation should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The amount of the income can be measured reliably.

**11. Recognition cost of goods sold**

Cost of goods sold reflects the cost value of products, goods and services sold in the period.

Provision for devaluation inventories is charged to cost of goods sold on the basis of the amount of inventories and the difference between the net value realizable lower than the cost of inventories.

When determining the amount of inventory devaluation should make provision, accountants must exclude inventory volume has signed contracts on sales (net worth not less than the realizable value book) but not yet transferred to the customer if there is solid evidence regarding the customer will not give up the contract performance.

**12. Principles and methods of recoding financial expenses**

Expenses are recorded in financial expense consist of: Expenses or losses relating to financial investment activities; Expenses of capital lending and borrowing; Expenses of joint ventures, cooperation, losses relating transfer of short-term securities, transaction expenses selling of securities; Provision for impairment of trading securities, investment loss reserves in other units, losses incurred when selling foreign currency, exchange rate losses ...

**13. Principles of selling expenses, administrative expenses**

Selling expenses reflect the actual costs of sales, including the cost of staff salaries (salaries, wages, allowances, etc.); social insurance, medical insurance, unemployment insurance of sales department; office material costs, labor tools, depreciation of fixed assets used for sale, hired services (electricity, water, telephone, fax, ...).

Corporate management costs reflects the cost of the overall management of the business, including the cost of staff salaries enterprise management department (salaries, wages, allowances, ...); social insurance, medical insurance, unemployment insurance of enterprise management personnel; office material costs, labor tools, depreciation of fixed assets used for business management; land rents and excises; Clause provision for bad debts; hired services (electricity, water, telephone, fax, property insurance, fire ...); Other cash costs (reception, customer conferences ...)

**14. Principles and method of recording current income tax expense**

Current income tax expense is calculated basing on taxable profit and income tax rate applied in the current year.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Segment Reporting

Segment reporting includes segments by business line or geographical area.

Business segment: A business segment is a distinguishable component of an enterprise that is engaged in producing or providing individual products or services, or a group of related products or services, and that is subject to risks and returns that are different from those of other business segments.

Geographical segment: A geographical segment is a distinguishable component of an enterprise that is engaged in producing or providing products or services within a particular economic environment, and that is subject to risks and returns that are different from those of components operating in other economic environments

16. Related parties

Parties are considered to be related if one party has the ability to control or have significant influence on the other party in making decisions and policies of financial activities.

17. Accounting estimate

The preparation of the financial statements complies with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and other applicable regulations relating to the preparation and presentation of financial statements as required by the General Director. Estimates and assumptions are made that affect the amount of liabilities and assets and the presentation of contingent assets and liabilities at the balance sheet date, as well as the revenue figures and expenses throughout the financial year. Although accounting estimates have been made to the best of the General Director's knowledge, the actual numbers incurred may differ from the estimates.

Estimates and assumptions are regularly evaluated based on past experience and other factors, including future assumptions that have a material effect on the financial statements of the Company and assessed as reasonable by the Board of Management.

V. ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET

1. Cash and cash equivalents

	30/06/2025 VND	01/01/2025 VND
Cash on hand	835.757.026	2.498.032.000
Cash in bank	83.556.730.410	128.967.059.248
Cash equivalents (*)	56.800.000.000	191.900.000.000
<b>Total</b>	<b>141.192.487.436</b>	<b>323.365.091.248</b>

As at June 30, 2025, cash equivalents are bank deposits with original maturities not exceeding 3 months, earning interest rates was 6% per annum (December 31, 2024: 3.2% per annum).

2. Short-term trade receivables

	30/06/2025 VND	01/01/2025 VND
<i>Third parties</i>		
Columbia Sportswear	300.631.411.322	167.370.348.366
Mrg Design Llc	5.470.571.418	-
SynergyTX Co., Ltd	3.285.504.780	8.123.510.870
Others	5.752.835.569	3.809.827.004
<b>Total</b>	<b>315.140.323.089</b>	<b>179.303.686.240</b>

As of June 30, 2025, and December 31, 2024, the Company had no overdue or doubtful Short-term trade receivables.



NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Short-term Advances to suppliers

	30/06/2025 VND	01/01/2025 VND
<i>Third parties</i>		
Kai Cherng Enterprise Co.,Ltd	1.524.636.977	-
MarSys Co., Limited.	305.936.064	-
Others	371.282.968	324.708.326
<b>Total</b>	<b>2.201.856.009</b>	<b>324.708.326</b>

4. Short-term other receivables

	30/06/2025 VND	01/01/2025 VND
<i>Third parties</i>		
Import tax refundable	20.304.672.862	17.687.297.398
Temporary Advance	6.352.200.011	-
Others	-	277.262.498
<b>Total</b>	<b>26.656.872.873</b>	<b>17.964.559.896</b>

As at June 30, 2025, and December 31, 2024, the Company had no overdue or doubtful other receivables.

5. Inventories

	30/06/2025 VND		01/01/2025 VND	
	Cost	Provision	Cost	Provision
Raw material	13.220.131.002	-	7.343.034.318	-
Tools and supplies	43.086.364	-	31.150.000	-
Cost of manufacture and trade in progress	26.339.733.834	-	15.428.593.042	-
Finish goods	39.836.661.480	-	41.915.114.021	-
<b>Total</b>	<b>79.439.612.680</b>	<b>-</b>	<b>64.717.891.381</b>	<b>-</b>

6. Long-term prepaid expenses

	30/06/2025 VND	01/01/2025 VND
Tool and equipment	421.674.513	3.444.570.227
<b>Total</b>	<b>421.674.513</b>	<b>3.444.570.227</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Increase, decrease in tangible fixed assets

	Unit: VND				
	Building and structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Original cost</b>					
Opening balance	175.044.499.711	123.023.602.492	30.337.464.692	32.359.634.146	360.765.201.041
Increase	118.518.519	1.796.444.500	-	33.867.000	1.948.830.019
- Construction completed	118.518.519	-	-	-	118.518.519
- Purchases	-	1.796.444.500	-	33.867.000	1.830.311.500
Decrease	-	91.798.700	-	-	91.798.700
- Others	-	91.798.700	-	-	91.798.700
<b>Closing balance</b>	<b>175.163.018.230</b>	<b>124.728.248.292</b>	<b>30.337.464.692</b>	<b>32.393.501.146</b>	<b>362.622.232.360</b>
<b>Accumulated depreciation</b>					
Opening balance	113.128.000.815	109.704.295.828	20.967.516.419	31.419.580.911	275.219.393.973
Increase	7.153.885.052	3.881.864.972	1.341.729.668	376.694.562	12.754.174.254
- Depreciation	7.153.885.052	3.881.864.972	1.341.729.668	376.694.562	12.754.174.254
Decrease	-	91.798.700	-	-	91.798.700
- Others	-	91.798.700	-	-	91.798.700
<b>Closing balance</b>	<b>120.281.885.867</b>	<b>113.494.362.100</b>	<b>22.309.246.087</b>	<b>31.796.275.473</b>	<b>287.881.769.527</b>
<b>Net book value</b>					
Opening	61.916.498.896	13.319.306.664	9.369.948.273	940.053.235	85.545.807.068
<b>Closing</b>	<b>54.881.132.363</b>	<b>11.233.886.192</b>	<b>8.028.218.605</b>	<b>597.225.673</b>	<b>74.740.462.833</b>

Original cost of tangible fixed asset was completely amortized but still had left for use as of June 30, 2025, was 205.785.222.106 VND (At as December 31, 2024: 179.237.162.811 VND).

As at June 30, 2025, and December 31, 2024, the Company had no tangible fixed assets pledged as collateral for borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Increase, decrease in tangible fixed assets

	Land use rights	Computer software	Unit: VND Total
<b>Original cost</b>			
Opening balance	8.724.076.700	2.644.568.250	11.368.644.950
<b>Closing balance</b>	<b>8.724.076.700</b>	<b>2.644.568.250</b>	<b>11.368.644.950</b>
<b>Accumulated depreciation</b>			
Opening balance	-	2.580.248.807	2.580.248.807
Depreciation within year	-	35.083.337	35.083.337
<b>Closing balance</b>	<b>-</b>	<b>2.615.332.144</b>	<b>2.615.332.144</b>
<b>Net book value</b>			
Opening	8.724.076.700	64.319.443	8.788.396.143
<b>Closing</b>	<b>8.724.076.700</b>	<b>29.236.106</b>	<b>8.753.312.806</b>

The land use right for the non-agricultural production facility in Can Giuoc Commune, Tay Ninh Province has an original cost of 6.585.438.800 VND.

The land use right for the non-agricultural production facility in Rach Kien Commune, Tay Ninh Province has an original cost of 2.138.637.900 VND.

Original cost of intangible fixed asset was completely amortized but still had left for use as of June 30, 2025, was 2.434.068.250 VND (same amount as of December 31, 2024).

9. Construction in progress

	30/06/2025 VND	01/01/2025 VND
The cost of purchasing an office building on state-leased land was currently undergoing procedures for property ownership and transferring the land lease contract to the Company	21.042.418.477	21.042.418.477
The renovation and expansion project of Workshops 5 and 6 of Factory 6	30.844.276.342	19.875.440.740
<b>Total</b>	<b>51.886.694.819</b>	<b>40.917.859.217</b>

10. Short-term trade payables

	30/06/2025 VND	01/01/2025 VND
<b>Third Parties</b>		
Formosa Taffeta Viet Nam Co., Ltd.	6.243.853.665	19.175.176.404
Universal Star Corporation	2.769.895.982	306.546.574
Tran Hiep Thanh Textile Corporation	2.056.076.241	-
Vietnam De Licacy Industrial Co.,Ltd	114.022.981	5.849.975.491
Others (*)	20.244.041.309	13.426.765.047
<b>Total</b>	<b>31.427.890.178</b>	<b>38.758.463.516</b>

(\*) There were no trade payables from 10% or more of the total balance.

As at 30 June 2025 and 31 December 2024, there were no short-term trade accounts payable overdue.

11. Short-term advances from customers

	30/06/2025 VND	01/01/2025 VND
<b>Third Parties</b>		
Stx Company Limited - Jp	28.720.646.179	36.332.781.927
Others	1.289.000.000	1.811.727.187
<b>Total</b>	<b>30.009.646.179</b>	<b>38.144.509.114</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Tax payables and statutory obligations

Payables	01/01/2025 VND	Payable VND	Paid VND	30/06/2025 VND
Corporate Income tax	17.439.756.409	6.745.256.111	19.438.322.006	4.746.690.514
Personal Income tax	679.108.162	4.460.501.490	4.973.225.080	166.384.572
Foreign contract tax	48.759.364	378.776.094	386.594.080	40.941.378
Land tax	3.319.019.824	3.843.303.627	1.826.614.666	5.335.708.785
License tax	-	5.000.000	5.000.000	-
Others	23.220.000	-	23.220.000	-
<b>Total</b>	<b>21.509.863.759</b>	<b>15.432.837.322</b>	<b>26.652.975.832</b>	<b>10.289.725.249</b>

  

Receivables	01/01/2025 VND	Payable VND	Paid VND	30/06/2025 VND
Import tax	89.523.843	-	-	89.523.843
<b>Total</b>	<b>89.523.843</b>	<b>-</b>	<b>-</b>	<b>89.523.843</b>

13. Other short-term payables

	30/06/2025 VND	01/01/2025 VND
<i>Third Parties</i>		
Trade union fees	934.060.096	939.983.456
Others	175.834.143	175.834.143
<b>Total</b>	<b>1.109.894.239</b>	<b>1.115.817.599</b>

14. Loans and debts

	01/01/2025 VND	Increase VND	Decrease VND	30/06/2025 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Saigon Branch (i)	-	13.223.107.127	-	13.223.107.127
<b>Total</b>	<b>-</b>	<b>13.223.107.127</b>	<b>-</b>	<b>13.223.107.127</b>

- (i) Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Saigon Branch under loan agreement No. 0171-01/SGN.KHDN/LD25 dated June 6, 2025, with a credit limit of VND 50 billion. The loan term was not more than 6 months. The interest rate was determined per each debt receipt and is currently 3.9% per annum. The purpose of the loan was to supplement working capital and finance legitimate, reasonable, and valid short-term credit needs for business operations. The loan was unsecured.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Owner's equity

a) *Statement of fluctuations in owner's equity*

Unit: VND

	Owner's investment capital	Treasury shares	Development Investment Fund	Retained profit after tax	Total
Beginning balance of the last year	237.789.000.000	(11.000.000)	78.809.065.405	103.410.037.707	419.997.103.112
Profit during the previous year				105.903.870.569	105.903.870.569
Profit distribution in 2024			29.630.295.995	(73.473.859.086)	(43.843.563.091)
- Allocation from the Development Investment Fund			29.630.295.995	(29.630.295.995)	-
- Allocation from the Reward and Welfare Fund				(7.347.385.909)	(7.347.385.909)
- Paying dividends for year 2023				(35.666.700.000)	(35.666.700.000)
- Payment of bonuses for exceeding the planned profit to the Board of Directors, the Supervisory Board, the Secretary, and the Chief Accountant for year 2023				(829.477.182)	(829.477.182)
<b>Ending balance of the last year</b>	<b>237.789.000.000</b>	<b>(11.000.000)</b>	<b>108.439.361.400</b>	<b>135.840.049.190</b>	<b>482.057.410.590</b>
Profit during the current period				25.481.024.442	25.481.024.442
Profit distribution in current period:			57.429.667.395	(105.903.870.569)	(48.474.203.174)
- Allocation from the Development Investment Fund			57.429.667.395	(57.429.667.395)	-
- Allocation from the Reward and Welfare Fund				(10.590.387.057)	(10.590.387.057)
- Paying dividends for year 2024				(35.666.700.000)	(35.666.700.000)
- Payment of bonuses for exceeding the planned profit to the Board of Directors, the Supervisory Board, the Secretary, and the Chief Accountant for year 2024				(2.217.116.117)	(2.217.116.117)
<b>Ending balance of the current period</b>	<b>237.789.000.000</b>	<b>(11.000.000)</b>	<b>165.869.028.795</b>	<b>55.417.203.063</b>	<b>459.064.231.858</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

a) Details of owner's invested capital

	30/06/2025 VND	%	01/01/2025 VND	%
Vietnam National Textile and Garment	69.533.920.000	29,24	69.533.920.000	29,24
Mr. Ha Van Duyet	26.181.740.000	11,01	26.181.740.000	11,01
Others	142.073.340.000	59,75	142.073.340.000	59,75
<b>Total</b>	<u>237.789.000.000</u>	<b>100</b>	<u>237.789.000.000</u>	<b>100</b>

b) Capital transactions with shareholders and distribution of dividends

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
<b>Owner's equity</b>		
Beginning balance	237.789.000.000	237.789.000.000
Increase balance	-	-
Ending balance	237.789.000.000	237.789.000.000
Divident	(35.666.700.000)	(35.666.700.000)

d) Shares

	30/06/2025 Shares	01/01/2025 Shares
Registered number of shares issued	23.778.900	23.778.900
Number of shares sold to the public	23.778.900	23.778.900
- Common shares	23.778.900	23.778.900
Number of shares acquired	1.100	1.100
- Common shares	1.100	1.100
Number of shares in issue	23.777.800	23.777.800
- Common shares	23.777.800	23.777.800
Par value per stock: 10.000 VND		

16. Off balance sheet items

	30/06/2025 VND	01/01/2025 VND
Foreign currency (USD)	<u>2.827.712,00</u>	<u>4.710.322,23</u>

VI. ADDITIONAL INFORMATION TO ITEMS IN INCOME STATEMENT

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
<b>1. Net revenue from sale of goods and rendering of services</b>	<b>549.653.512.212</b>	<b>573.079.994.937</b>
Net revenue from sale of finished goods	549.653.512.212	572.726.453.102
Net revenue from sale of merchandise goods	-	353.541.835

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Cost of goods sold	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Costs of finished goods	484.062.979.267	506.612.135.202
<b>Total</b>	<b>484.062.979.267</b>	<b>506.612.135.202</b>
3. Financial income	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Interest income	3.473.578.301	1.249.594.916
Interest on exchange rate difference	8.002.880.496	11.537.393.577
<b>Total</b>	<b>11.476.458.797</b>	<b>12.786.988.493</b>
4. Financial expenses	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Interest expenses	961.225	142.770.849
Exchange rate difference loss	1.540.525.006	2.036.255.703
Others	-	978.893.865
<b>Total</b>	<b>1.541.486.231</b>	<b>3.157.920.417</b>
5. Selling expenses	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Expenses for external service	5.643.004.568	6.336.767.939
Others	1.728.774.066	2.390.563.046
<b>Total</b>	<b>7.371.778.634</b>	<b>8.727.330.985</b>
6. Administrative expenses	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Salary expenses	26.891.338.654	27.086.755.870
Expenses of raw materials	529.989.867	590.604.637
Depreciation expenses	703.752.586	873.822.589
Expenses for external service	4.392.397.669	2.939.645.233
Others	3.734.493.022	3.185.906.457
<b>Total</b>	<b>36.251.971.798</b>	<b>34.676.734.786</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Other income	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Income from sales of solar energy	99.774.620	110.189.501
Others	304.044.062	119.755.080
<b>Total</b>	<b>403.818.682</b>	<b>229.944.581</b>

8. Other expenses	Từ 01/01/2025 đến 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Late payment penalties	79.293.208	22.745.128
Others	-	280.568.671
<b>Total</b>	<b>79.293.208</b>	<b>303.313.799</b>

9. Current corporate income tax expense

Annual corporate income tax is at the rate of 20% of taxable profit in the current year.

The Corporation's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations with many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Current corporate income tax expenses are calculated as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Total accounting profits before-tax	32.226.280.553	32.619.492.822
- Increases	1.500.000.000	1.500.000.000
- Decreases	-	-
Total taxable profits	33.726.280.553	34.119.492.822
Tax rate of corporate income tax	20%	20%
<b>Current corporate income tax expenses</b>	<b>6.745.256.111</b>	<b>6.823.898.564</b>

10. Basis earnings per share

	Từ 01/01/2025 đến 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Profit after tax	25.481.024.442	25.795.594.258
- Increases	-	-
- Decreases (i)	(2.548.102.444)	(2.579.559.425)
Net profit attributable to ordinary shareholders	22.932.921.998	23.216.034.833
The weighted average number of ordinary shares	23.777.800	23.777.800
<b>Basis earnings per share</b>	<b>964</b>	<b>976</b>

- (i) Adjustments reducing accounting profit for the period include the provisional appropriation to the bonus and welfare fund at a rate of 10% of the current period's after-tax profit (based on the ratio stated in the Resolution of the General Meeting of Shareholders No. 01/NQ-ĐHĐCĐ.2025 dated April 20, 2025).

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Productions and operation costs by Items

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Raw materials	251.555.154.130	326.163.926.043
Labour cost	234.795.510.055	227.072.302.465
Depreciation expenses	12.789.257.591	11.530.647.851
Expenses from external services	23.721.853.075	23.279.395.810
Other expenses	13.657.643.099	12.938.013.290
<b>Total</b>	<b>536.519.417.950</b>	<b>600.984.285.459</b>

VII. ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

1. Amount of borrowings actually withdrawn during the period

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Proceeds from borrowings following normal borrowing contracts	13.223.107.127	26.291.426.826

VIII. INFORMATION ON RELATED PARTIES

Transactions with related parties

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

Related parties	Relationship
Mr. Ha Van Duyet	Chairman of the Board of Directors cum General Director
Mr. Ha Van Nghia	Member of the Board of Directors
Mr. Ha Van Long	Member of the Board of Directors

1. Transactions and balances with key management personnel and individuals related to key management personnel

Key management personnel include members of the Board of Members, members of the Executive Board, and individuals related to key management personnel who are close family members of those personnel.

a. Transactions with key management personnel and individuals related to key management personnel

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

b. At the end of period, payments with key management personnel and individuals related to key management personnel

During the period, the Company did not have any payments with key management personnel or individuals related to key management personnel.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

- c. Remuneration, salaries, bonuses, and other benefits of the Board of Managements, the Supervisory Board, the General Director, and other key management personnel during the year are as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
<b>Board of the Managements</b>	<b>153.000.000</b>	<b>153.000.000</b>
Mr. Ha Van Duyet	45.000.000	45.000.000
Mr. Ha Van Nghia	27.000.000	27.000.000
Mr. Ha Van Long	27.000.000	27.000.000
Mr. Le Mac Thuan	27.000.000	27.000.000
Ms. Vu Thi Thuy Duong	27.000.000	27.000.000
<b>Supervisory Board</b>	<b>57.000.000</b>	<b>57.000.000</b>
Mr. Duong Thanh Tung	27.000.000	27.000.000
Ms. Nguyen Thi Hang Nga	15.000.000	15.000.000
Ms. Vu Thi Nu	15.000.000	15.000.000
<b>The Director</b>	<b>3.586.255.364</b>	<b>2.520.783.926</b>
Salaries, bonuses and other benefits	3.586.255.364	2.520.783.926
<b>Others</b>	<b>4.692.907.031</b>	<b>4.479.231.011</b>
Salaries, bonuses and other benefits	4.692.907.031	4.479.231.011

2. Information on other related parties

a. Transactions with other related parties

During the year, the Company did not have any transactions with other related parties.

b. At the end of period, payments with other related parties

As at June 30, 2025 and December 31, 2024, the Company did not have any payments with other related parties.

IX. OTHER INFORMATION

1. The events arising after end of accounting period

The Board of General Directors confirms that no significant events arising after the closing of accounting books financial statements are required to be adjusted or published financial statements.

2. Segment Reporting

**Business field**

The Company's business activities are primarily focused on a group of garment industry products. It is not a diversified enterprise offering multiple product and service groups. Therefore, the Board of Management has decided not to apply segment reporting by business line.

**Geographical area**

The Company's products are primarily sold in a few geographic regions, but there are no significant differences in economic benefits or exposure to risks. Therefore, the Board of Management has also decided not to apply segment reporting by geographic region

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. **Comparative figures**

The comparative figures refer to the data presented in the Company's financial statements for the fiscal year ended December 31, 2024, and for the accounting period from January 1, 2024 to June 30, 2024, which were audited and reviewed by Nhan Tam Viet Auditing Co., Ltd.

4. **Going concern**

In accounting period, no activities or events arising that significantly affect the ability of going concern of Company. Therefore, the financial statements of the Company are prepared on the basis of going concern assumption of Company.

Prepared by/ Chief Accountant



Vu Thi Ngat

Deputy General Director



Ha Van Duyet

Dated 06 August 2025

