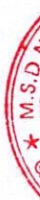


Consolidated Financial Statements

HAI PHONG WATER JOINT STOCK COMPANY

For the fiscal year ended 31 December 2024
(Audited)



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REPORT OF THE CHAIRMAN

The Chairman of Hai Phong Water Joint Stock Company ("the Company") presents its report and the Company's consolidated financial statements for the year ended 31 December 2024.

THE COMPANY

Hai Phong Water Joint Stock Company is an enterprise equitized from Hai Phong Water One Member Co., Ltd., according to Decision No. 732/QĐ-UBND dated 09 April 2015 of Hai Phong City People's Committee. The Company operates under the Business Registration Certificate No. 0200171274 issued for the first time on January 3, 2007 and amended for the 10th time on 13 April 2023 by the Department of Planning and Investment of Hai Phong City.

The Company's head office is located at 54 Dinh Tien Hoang, Hoang Van Thu Ward, Hong Bang District, Hai Phong City.

Business activities according to business registration, head office and affiliated units included in the Company's Consolidated Financial Statements are presented in the Notes to the Consolidated Financial Statements attached to this report.

THE BOARD OF DIRECTORS, MANAGEMENT BOARD AND SUPERVISORY BOARD

Members of the Board of Directors who held office during the year and to the date of this report are:

Mr. Tran Viet Cuong	Chairman of the Board of Directors
Mr. Tran Van Duong	Vice chairman
Mr. Cao Van Quy	Member
Mr. Trinh Anh Tuan	Member
Mr. Dang Huu Dung	Member

Members of the Management Board during the period and at the date of this report include:

Mr. Tran Van Duong	General Director
Mr. Cao Van Quy	Deputy General Director
Mr. Trinh Anh Tuan	Deputy General Director
Mr. Nguyen Danh Quan	Deputy General Director

Members of the Supervisory Board include:

Ms. Le Thi Huong	Head of the Supervisory Board
Mr. Nguyen Minh Hoang	Member
Ms. Do Thi Thanh Diep	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and up to the date of this Financial Statement is Mr. Tran Viet Cuong - Chairman of the Board of Directors

AUDITORS

AASC Limited has taken the audit of the consolidated financial statements for the Company.

STATEMENT OF THE BOARD OF THE CHAIRMAN'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of the Chairman is responsible for the Consolidated financial statements of each fiscal year which give a true and fair view of the financial position of the Company and the results of its operation and its cash flows for the year then ended. In preparing those consolidated financial statements, the Board of the Chairman is required to:

- Establish and maintain an internal control system which is determined necessary by the Board

of the Chairman and those charged with governance to ensure the preparation and presentation of consolidated financial statements do not contain any material misstatement caused by errors or frauds;

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare and present the consolidated financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements;
- Prepare the consolidated financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Chairman is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the consolidated 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.

The Chairman confirms that the accompanying consolidated financial statements of the Company for the year ended 31 December 2024 prepared by us, give a true and fair view of the financial position, results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

OTHER COMMITMENTS

The Chairman commits that the Company complies with Decree 155/2020/ND-CP dated 31 December 2020 detailing the implementation of a number of articles of the Securities Law and that the Company does not violate the obligation to disclose information as prescribed in Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding the disclosure of information on the stock market and Circular No. 68/2024/TT-BTC dated 18 September 2024 of the Ministry of Finance on amending and supplementing a number of articles of Circular No. 96/2020/TT-BTC.

On behalf of the Board of Directors and the Management Board



Tran Viet Cuong
Chairman of the Board of Directors

Hai Phong, 18 March 2025



No.: 180325.018/BCTC.FIS1

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Management
Hai Phong Water Joint Stock Company

We have audited the accompanying consolidated financial statements of Hai Phong Water Joint Stock Company prepared on 18 March 2025, which comprise Consolidated Statement of financial position as at 31 December 2024, Consolidated Consolidated Statement of income, Statement of cash flows and Notes to the consolidated financial statements for the year then ended, as set out on pages 05 to 32.

The Chairman's Responsibility

The Chairman is responsible for the preparation and fair presentation of these consolidated financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards and System and comply with relevant statutory requirements and for such internal control as management determines necessary to enable the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Hai Phong Water Joint Stock Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with statutory requirements related to preparation and presentation of the consolidated financial statements.



Do Mạnh Cuong
Deputy General Director
Registered Auditor No.
0744-2023-002-1

Hanoi, 18 March 2025

Dinh Quang Trung
Auditor
Registered Auditor No.
3681-2022-002-1



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Code	ASSETS	Note	31/12/2024 VND	01/01/2024 VND
100	A. CURRENT ASSETS		673,141,738,931	570,276,917,428
110	I. Cash and cash equivalents	3	17,332,691,799	14,803,560,312
111	1. Cash		13,332,691,799	8,803,560,312
112	2. Cash equivalents		4,000,000,000	6,000,000,000
120	II. Short-term investment	4	539,800,000,000	432,800,000,000
123	1. Short-term held to maturity		539,800,000,000	432,800,000,000
130	III. Short-term receivables		34,837,904,549	29,301,330,943
131	1. Short-term trade receivables	5	18,768,545,334	19,552,640,037
132	2. Short-term advances to suppliers		6,713,562,056	3,452,635,686
136	3. Other short-term receivables	6	10,174,324,404	7,365,584,685
137	4. Provisions for short-term bad debts	5	(818,527,245)	(1,069,529,465)
140	IV. Inventories		60,587,358,753	57,880,222,198
141	1. Inventories	7	60,587,358,753	57,880,222,198
150	V. Other current assets		20,583,783,830	35,491,803,975
151	1. Short-term prepaid expenses	8	624,891,997	502,679,716
152	2. VAT deductibles		19,774,032,043	34,804,264,469
153	3. Tax and other receivables from the State	13	184,859,790	184,859,790
200	B. NON-CURRENT ASSETS		1,402,586,126,463	1,516,535,463,231
220	I. Fixed assets		1,350,771,032,376	1,477,363,291,125
221	1. Tangible fixed assets	9	1,349,236,129,620	1,476,859,362,502
222	- Cost		3,726,343,950,269	3,648,530,321,276
223	- Accumulated depreciation		(2,377,107,820,649)	(2,171,670,958,774)
227	2. Intangible fixed assets	10	1,534,902,756	503,928,623
228	- Cost		13,024,936,573	11,595,614,773
229	- Accumulated amortisation		(11,490,033,817)	(11,091,686,150)
240	II. Long-term assets in progress		46,072,714,514	34,568,103,990
242	1. Construction in-progress	11	46,072,714,514	34,568,103,990
250	III. Long-term investments		700,000,000	700,000,000
255	1. Long-term held to maturity	4	700,000,000	700,000,000
260	IV. Other non-current assets		5,042,379,573	3,904,068,116
261	1. Long-term prepaid expenses	8	5,042,379,573	3,904,068,116
270	TOTAL ASSETS		2,075,727,865,394	2,086,812,380,659

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(continued)

Code	RESOURCES	Note	31/12/2024 VND	01/01/2024 VND
300	C. LIABILITIES		987,340,954,200	1,015,149,325,015
310	I. Current liabilities		199,504,867,525	184,499,733,462
311	1. Short-term trade payables	12	22,867,270,132	11,940,665,839
312	2. Short-term advances from customers		1,446,881,501	1,760,218,186
313	3. Tax payables and statutory obligations	13	10,254,630,238	8,892,367,281
314	4. Payables to employees		53,174,011,201	45,776,030,975
315	5. Short-term accrued expenses	15	4,913,609,023	4,890,673,640
319	6. Other short-term payables	16	13,819,645,029	19,220,342,698
320	7. Short-term loans and liabilities	14	78,414,701,220	73,333,444,292
322	8. Bonus and welfare funds	17	14,614,119,181	18,685,990,551
330	II. Long-term liabilities		787,836,086,675	830,649,591,553
338	1. Long-term loans and liabilities	14	787,836,086,675	830,649,591,553
400	D. EQUITY		1,088,386,911,194	1,071,663,055,644
410	I. Owners' equity	18	1,088,386,911,194	1,071,663,055,644
411	1. Contributed charter capital		742,069,400,000	742,069,400,000
411a	- Ordinary shares with voting right		742,069,400,000	742,069,400,000
412	2. Share premium		559,419,000	559,419,000
414	3. Other owner's equity		33,249,781,250	33,249,781,250
418	4. Investment and development fund		159,283,689,499	152,397,442,564
421	5. Retained earnings		112,138,728,453	104,001,164,742
421a	- Retained earnings accumulated to previous year		9,657,861,500	9,657,861,500
421b	- Undistributed profit of this year		102,480,866,953	94,343,303,242
429	6. Non-controlling interest		41,085,892,992	39,385,848,088
440	TOTAL RESOURCES		2,075,727,865,394	2,086,812,380,659



Tran Viet Cuong
Chairman

Nguyen Dang Ninh
Chief Accountant

La Thi Thu Huyen
Preparer

Hai Phong, 18 March 2025

CONSOLIDATED STATEMENT OF INCOME
Year 2024

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Gross revenue from goods sold and services rendered	20	1,287,784,457,723	1,131,127,206,848
02	2. Less deductions		-	-
10	3. Net revenue from goods sold and services rendered		1,287,784,457,723	1,131,127,206,848
11	4. Cost of goods sold and services rendered	21	804,259,428,164	680,968,776,477
20	5. Gross profit from goods sold and services rendered		483,525,029,559	450,158,430,371
21	6. Financial income	22	23,581,187,531	26,215,107,602
22	7. Financial expenses	23	96,596,429,791	87,225,970,272
23	<i>In which: Interest expense</i>		57,466,701,350	60,775,543,195
25	8. Selling expenses	24	155,866,307,731	152,905,048,331
26	9. General administrative expenses	25	117,419,625,975	108,754,126,110
30	10. Operating profit		137,223,853,593	127,488,393,260
31	11. Other income	26	17,260,683,849	13,145,871,343
32	12. Other expenses	27	16,136,455,379	12,690,005,999
40	13. Other profit		1,124,228,470	455,865,344
50	14. Accounting profit before tax		138,348,082,063	127,944,258,604
51	15. Current corporate income tax expense	28	27,670,507,758	25,818,827,097
60	17. Net profit after tax		<u>110,677,574,305</u>	<u>102,125,431,507</u>
61	Profit after tax attributable to owners of the parent		102,480,866,954	94,343,303,242
62	Profit after tax attributable to non-controlling interest		8,196,707,351	7,782,128,265



Tran Viet Cuong
Chairman

Nguyen Dang Ninh
Chief Accountant

La Thi Thu Huyen
Preparer

Hai Phong, 18 March 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)

Code	ITEMS	Note	Year 2024	Year 2023
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		138,348,082,063	127,944,258,604
	2. Adjustments for:			
02	Depreciation and amortization		214,273,393,214	239,777,091,613
03	Provisions		(251,002,220)	(164,225,971)
04	Losses on exchange differences at the year-end		39,129,728,441	25,564,385,302
05	(Gains) from investment activities		(23,669,134,713)	(26,877,650,528)
06	Interest expense		57,466,701,350	60,775,543,195
08	3. Profit from operating activities before changes in working capital		425,297,768,135	427,019,402,215
09	Decrease in receivables		8,708,373,015	24,054,646,162
10	(Increase) in inventories		(2,707,136,555)	(7,209,220,259)
11	Increase/(Decrease) in payables (excluding interest payables/CIT payables)		17,208,790,027	(8,230,370,424)
12	(Increase)/Decrease in prepaid expenses		(1,260,523,738)	10,648,186,440
14	Interest paid		(58,151,453,745)	(58,912,187,763)
15	Corporate income tax paid		(26,308,799,114)	(16,119,284,558)
17	Other payments on operating activities		(28,789,206,518)	(23,652,979,812)
20	Net cash inflow from operating activities		333,997,811,507	347,598,192,001
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets		(100,737,787,497)	(97,711,383,161)
22	2. Proceeds from disposals of fixed assets and long-term assets		275,428,485	662,542,926
23	3. Loans granted, purchases of debt instruments of other entities		(107,000,000,000)	(132,800,000,000)
27	7. Interest, dividends and profit received		21,065,567,883	25,689,303,491
30	Net cash outflow from investing activities		(186,396,791,129)	(204,159,536,744)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)
(continued)

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
34	4. Repayment of borrowings		(76,862,201,714)	(121,846,955,608)
36	6. Dividends paid		(68,209,912,500)	(68,209,912,500)
40	Net cash outflow from financing activities		(145,072,114,214)	(190,056,868,108)
50	Net cash flows in the year		2,528,906,164	(46,618,212,851)
60	Cash and cash equivalents at beginning of the year		14,803,560,312	61,421,535,632
61	Impact of exchange differences		225,323	237,531
70	Cash and equivalents at the year-end		17,332,691,799	14,803,560,312



Trần Việt Cường
Chairman

Nguyễn Đăng Ninh
Chief Accountant

La Thị Thu Huyền
Preparer

Hai Phong, 18 March 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year 2024

1. GENERAL INFORMATION

Form of ownership

Hai Phong Water Joint Stock Company was equitized from the State-owned Enterprise - Hai Phong Water One Member Limited Liability Company, according to Decision No. 732/QĐ-UBND dated 09 April 2015 of Hai Phong City People's Committee. The company operates under Business Registration Certificate No. 0200171274 dated 03 January 2007 and amended for the 10th time on 13 April 2023 issued by the Department of Planning and Investment of Hai Phong City.

The Company's head office is located at No. 54 Dinh Tien Hoang Street, Hoang Van Thu Ward, Hong Bang District, Hai Phong City.

The total number of employees of the parent company as at 31 December 2024 was 972 (as at 01 January 2024: 978 employees).

The total number of employees of the subsidiary as at 31 December 2024 was 86 (as at 01 January 2024: 86 employees).

Business field

The main business activities of the Company are to exploit, produce, supply and trade clean water for consumption, production, business and other needs; trade other products and services in the water industry in Hai Phong.

Business sector

The Company's main business activities are:

- ▶ Water exploitation, treatment and supply;
- ▶ Installation of water supply, drainage, heating and air conditioning systems;
- ▶ Production of non-alcoholic beverages, mineral water.

The Company's operation in the year that affects the Consolidated Financial Statements:

During the year, the Company adjusted the selling price of clean water in accordance with Decision No. 05/2024/QĐ-UBND dated 19 February 2024, issued by the People's Committee of Hai Phong City, which took effect from 01 March 2024. This, together with the increase in customer consumption volume, resulted in a revenue growth compared to the previous year (Note 20).

At the same time, due to the significant increase in the USD/VND exchange rate, the exchange rate differences cost in 2024 increased sharply compared to 2023 (Note 23).

Company structure

As at 31 December 2024, the Company has one subsidiary that is consolidated in the financial statements, which is:

Company name	Address	Ownership interest	Voting rights ratio	Main activities
Hai Phong Number Two Water Business Joint Stock Company	Residential Group 3, Do Nha, Tan Tien Ward, An Duong District, Hai Phong City	65.29%	65.29%	Extraction, treatment, and supply of clean water

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 Accounting period and monetary currency unit

The accounting period commences annually from the 1st January and ends as at the 31st December. The Company maintains its accounting records in Vietnam Dong (VND).

2.2 Accounting Standards and Accounting system

Accounting System

The Company applies Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular No. 200/2014/TT-BTC.

Statement of compliance with Vietnamese standards and accounting system

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Consolidated Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 Basis for preparation of Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December 2024.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Company. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Company and its subsidiaries.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non - controlling interests represents the portion of profit or loss and net assets not held by owners.

2.4 Accounting estimates

The preparation of Consolidated Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Chairman to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Consolidated Financial Statements include:

- Provision for bad debts
- Estimated useful life of prepaid expenses
- Estimated useful life of fixed assets
- Estimated income tax

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Chairman to be reasonable under the circumstances.

2.5 Financial instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities have not been measured at fair value as at the end of the financial year because Circular No. 210/2009/TT-BTC and current regulations require the presentation of financial statements and disclosures relating to financial instruments, but do not provide equivalent guidance on the fair value measurement and recognition of financial assets and financial liabilities.

2.6 Foreign currency transactions

Transactions in currencies other than the accounting currency of the Company during the fiscal year are recorded at actual rate of exchange ruling at transaction dates.

Actual exchange rates for year-end revaluations of monetary items denominated in foreign currencies are determined by at the balance sheet date under the following principles:

- ▶ Accounts classified as assets are revaluated at buying exchange rates of commercial banks where the Company regularly conducts transactions;
- ▶ Cash deposited at bank are revaluated at buying exchange rates of commercial bank where the Company opens such foreign bank accounts;
- ▶ Accounts classified as liabilities are revaluated at selling exchange rates of commercial banks where the Company regularly conducts transactions.

All exchange differences arising from foreign currency transaction in the year and form revaluation of remaning foreign currency monetary at the end of the year shall be recorded into the financial income or expense in the fiscal year.

2.7 Cash and cash equivalents

Cash comprises cash on hand, demand deposits

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.8 Financial Investment

Held-to-maturity investments are term deposits at banks that are held until maturity for the purpose of earning monthly interest.

Investments in subsidiaries are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the year as follows:

- Provision for devaluation of investment in subsidiaries is made at the end of the period, based on the Consolidated Financial Statement of the subsidiary at the time of making the provision. Provision for devaluation of investment is made when the investee incurs a loss.
- For investments held to maturity: based on the ability to recover, set up provisions for doubtful debts according to the provisions of law.

2.9 Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables are classified as short-term and long-term in the consolidated financial statements based on the remaining maturity of the receivables at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating the possible losses.

2.10 Inventories

At initial recognition, inventories are stated at the cost comprising all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory less the estimated costs to complete the product and the estimated costs to sell the product.

Cost of inventories is calculated by weighted average method.
Inventories are recorded by perpetual method.

The value of work in progress is recorded for each project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

2.11 Fixed assets

Tangible and intangible fixed assets are stated at its historical cost. During the using time, tangible and intangible fixed assets are recorded at cost, accumulated depreciation and carrying amount.

Value after initial recognition

If these costs increase the future economic benefits expected to be obtained from the use of tangible fixed assets beyond the standard operating level as initially assessed, these costs are capitalized. as an additional cost of tangible fixed assets.

Other costs incurred after fixed assets have been put into operation, such as repair, maintenance and overhaul costs, are recorded in the income statement (consolidatedly) in the year in which the costs are incurred.

Fixed assets are depreciated using the straight-line method over their estimated useful life as follows:

- Buildings and structures	05 - 25 years
- Machinery, equipment	05 - 10 years
- Vehicles and transportation equipment	06 - 15 years
- Management equipment	03 - 05 years

- | | |
|----------------------|---------------|
| - Software | 03 - 08 years |
| - Other fixed assets | 03 - 05 years |

For fixed assets handed over from the completed constructions in this year but not yet approved the settlement, the temporary value which was added to the cost of fixed assets was calculated on the basis of accumulated expenditure up to the time that assets were handed over. When the value of the settlement is approved, the cost of fixed assets will be adjusted according to the approved value.

2.12 Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. These costs include construction expenses, machinery and equipment installation costs, and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

2.13 Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.14 Prepaid expenses

Expenses relate to income statement in more than 01 fiscal year are recognised as prepaid expenses and are allocated into income statement of following fiscal years.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Prepaid expenses of the Company include:

- ▶ Tools and supplies include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recording as fixed assets according to current regulations. The cost of tools and equipment is amortized on a straight-line basis over the period from 01 to 02 years.
- ▶ Other prepaid expenses are stated at cost and amortized using the straight-line method over their useful lives from 01 to 02 years.

2.15 Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the consolidated financial statements according to their remaining terms at the reporting date.

2.16 Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.17 Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.18 Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as interest expenses, convertible bond interest, etc. which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.19 Investment and development fund, Bonus and welfare fund

The Investment and development fund, Bonus and welfare fund are extracted from net profit after tax.

2.20 Owner's equity

Owner's equity is stated at actually contributed capital of the Investors.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.21 Revenue

Revenue is recognized when it is probable that the economic benefits, which can be measured reliably, will flow to the Company. Revenue is determined at the fair value of amounts received or expect to get after deducting trade discounts, sales discounts, and sales returns.

Sales of goods

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer; and
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

- The stage of the completion of the transaction at the end of the reporting period can be measured reliably.

Financial income

Financial incomes include income from interest and other financial gains earned by the Company should be recognized when these two conditions are satisfied:

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

2.22 Cost of goods sold

Cost of goods sold and services provided is the total cost incurred for finished products, goods, supplies sold and services provided to customers during the year, recorded in accordance with revenue generated during the year and ensure compliance with the conservatism principle.

2.23 Financial expenses

Items recorded into financial expenses consist of:

- ▶ Expenses of capital borrowing;
- ▶ Loss due to foreign exchange differences arising from transactions relating to foreign currencies...

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.24 Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of the Directors by the weighted average number of ordinary shares outstanding during the year.

2.25 Corporate income tax

- a) Current corporate income tax expenses and deferred corporate income tax expenses

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

- b) Current corporate income tax rate:

The Company is currently applying a corporate income tax rate of 20% for the financial year ended 31 December 2024.

2.26 Related parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- ▶ Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- ▶ Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- ▶ Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of the Consolidated Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.27 Segment information

The clean water supply segment accounts for more than 90% of the Company's total operations, and all of the Company's activities are conducted within Hai Phong City. Therefore, the Company does not prepare segment reporting by business lines or geographical areas.

3. Cash and cash equivalents

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	88,159,669	56,636,998
Cash in bank	13,244,532,130	8,746,923,314
Cash equivalents (*)	4,000,000,000	6,000,000,000
	17,332,691,799	14,803,560,312

(*) As of December 31, 2024, cash equivalents include one-month term deposits with a total value of VND 4 billion placed at the Bank for Investment and Development of Vietnam – Hai Phong Branch.

4. Financial investment

As at 31 December 2024, the investment held to maturity amounting to VND 540.5 billion is term deposits with terms from 06 months to 24 months at commercial banks.

5. Short-term trade receivables

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Other parties				
Water bill	14,058,344,581	(301,746,729)	14,209,036,249	(264,376,749)
Water machine installation	4,300,596,197	(516,780,516)	4,588,333,397	(805,152,716)
Others	409,604,556	-	755,270,391	-
	18,768,545,334	(818,527,245)	19,552,640,037	(1,069,529,465)

6. Short-term other trade receivables

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Interest receivables	7,876,953,414	-	5,548,815,069	-
Social insurance and trade union fees	14,093,201	-	2,815,248	-
Advance	14,572,253	-	86,335,314	-
Others	2,268,705,536	-	1,727,619,054	-
	10,174,324,404	-	7,365,584,685	-

7. Inventories

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Raw material	58,541,878,779	-	55,780,090,656	-
Tools, supplies	819,558,849	-	664,637,200	-
Work in progress	1,141,830,813	-	1,348,676,895	-
Finished goods	84,090,312	-	86,817,447	-
	60,587,358,753	-	57,880,222,198	-

8. Prepaid expenses

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
Tools and supplies	624,891,997	502,679,716
	624,891,997	502,679,716
b) Long-term		
Tools and supplies	4,558,648,082	3,572,630,232
Bottle shells and purified water supplies	483,731,491	331,437,884
	5,042,379,573	3,904,068,116

9. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Vehicles equipment VND	Management equipment VND	Others VND	Total VND
Historical cost						
As at 01/01/2024	1,174,426,531,423	312,333,638,179	2,137,541,863,889	11,430,326,320	12,797,961,465	3,648,530,321,276
Purchase	70,000,000	18,192,342,011	2,078,967,596	1,924,046,235	-	22,265,355,842
Increase in the year	6,443,140,247	6,681,494,821	49,544,188,232	860,000,000	1,484,104,630	65,012,927,930
Liquidating, disposal	-	-	(3,015,621,624)	-	-	(3,015,621,624)
Other decreases	-	-	(6,449,033,155)	-	-	(6,449,033,155)
As at 31/12/2024	1,180,939,671,670	337,207,475,011	2,179,700,364,938	14,214,372,555	14,282,066,095	3,726,343,950,269
Accumulated depreciation						
As at 01/01/2024	595,863,473,417	207,237,774,836	1,345,967,652,999	9,864,509,756	12,737,547,766	2,171,670,958,774
Depreciation in the year	75,588,983,051	23,698,717,028	113,706,816,110	650,100,963	230,428,395	213,875,045,547
Liquidating, disposal	-	-	(3,015,621,624)	-	-	(3,015,621,624)
Other decrease	-	-	(5,422,562,048)	-	-	(5,422,562,048)
As at 31/12/2024	671,452,456,468	230,936,491,864	1,451,236,285,437	10,514,610,719	12,967,976,161	2,377,107,820,649
Net carrying amount						
As at 01/01/2024	578,563,058,006	105,095,863,343	791,574,210,890	1,565,816,564	60,413,699	1,476,859,362,502
As at 31/12/2024	509,487,215,202	106,270,983,147	728,464,079,501	3,699,761,836	1,314,089,934	1,349,236,129,620

► Cost of fully amortized intangible fixed assets but still in use at the end of the year: VND 1,093,961,359,074.

10. Intangible fixed assets

The Company's intangible fixed assets are computer software with specific information as follows:

- Historical cost as of 31/12/2024 is VND 13,024,936,573;
- Depreciation during the period is VND 398,347,667;
- Accumulated depreciation as of 31/12/2024 is VND 11,490,033,817.

11. Construction in progress

	31/12/2024 VND	01/01/2024 VND
Construction in progress	20,551,760,736	25,143,019,331
D800 Water Supply Pipeline on Road 353 (Hoa Binh Canal – Hanoi – Hai Phong Expressway Interchange)	-	17,100,460,477
Water Supply Project for Cat Hai Island (Phase 1) (i)	4,768,865,547	3,568,865,547
Expansion of Cau Nguyet Water Plant Capacity to 60,000 m3/day&night (ii)	1,815,391,538	1,815,391,538
Construction of D400 Transmission Pipeline Supplying Western Tien Lang District (iii)	9,204,256,644	-
Water Supply for An Tho Commune, An Lao District (iv)	3,031,183,727	-
Others	1,732,063,280	2,658,301,769
Major repairs, maintenance, and free installation of water dispensers according to Decree No. 117/2007/ND-CP (v)	25,520,953,778	9,425,084,659
	46,072,714,514	34,568,103,990

- (i) Water supply project to Cat Hai island (phase 1):
- Construction site: Dinh Vu - Cat Hai economic zone, Hai Phong city
 - Investor: Hai Phong Water Joint Stock Company
 - Project status at 31 December 2024: currently working with the Management Board of Economic Zones to implement the next steps of the project.
- (ii) Increase the capacity of Cau Nguyet NMN to 60,000 m3/day:
- Construction location: An Lao district, Hai Phong city
 - Investor: Hai Phong Water Joint Stock Company
 - Project status at 31 December 2024: adjusting the feasibility study report to convert the project to increase the capacity to 100,000 m3.
- (iii) Construction of D400 water supply pipeline to the western area of Tien Lang district:
- Construction location: Tien Lang district, Hai Phong cit
 - Investor: Hai Phong Water Joint Stock Company
 - Project status at 31 December 2024: completed installation and pressure testing of the pipeline. Flushing, disinfection, and site restoration are currently in progress..
- (iv) Construction of An Tho commune water supply network:
- Construction location: An Tho commune, An Lao district, Hai Phong city
 - Investor: Hai Phong Water Joint Stock Company
 - Project status as of 31 December 2024: construction and installation is underway, 500m of pipes are being coordinated in parallel with the progress of the new rural road expansion site.
- (v) The cost of major repairs, maintenance, and free installation of water dispensers according to Decree No. 117/2007/ND-CP is still unfinished.

12. Short-term trade payables

	31/12/2024		01/01/2024	
	Book value	Liquidity	Book value	Liquidity
	VND	VND	VND	VND
Other parties				
Payables to suppliers related to capital construction activities	8,798,934,136	8,798,934,136	6,414,028,155	6,414,028,155
An Viet Hai Phong Construction and Trading Services Joint Stock Company	2,164,168,087	2,164,168,087	-	-
Duc Thinh Technical Trading Joint Stock Company	2,501,080,980	2,501,080,980	5,174,935,200	5,174,935,200
An Thinh Phat Trading and Services Co., Ltd.	1,108,152,014	1,108,152,014	-	-
Hai Phong Housing Construction Joint Stock Company	759,463,360	759,463,360	-	-
Viet Phap Investment, Construction and Trading Joint Stock Company	1,862,689,779	1,862,689,779	-	-
Others	403,379,916	403,379,916	1,239,092,955	1,239,092,955
Payables to suppliers related to business and production activities	14,068,335,996	14,068,335,996	5,526,637,684	5,526,637,684
Quoc Quyet Construction Mechanical Trading Co., Ltd.	2,931,438,020	2,931,438,020	1,083,578,095	1,083,578,095
Northern branch of Nha Be garment Corporation - JSC	1,191,632,920	1,191,632,920	-	-
Minh Khang Electromechanical JSC	1,602,276,552	1,602,276,552	-	-
Hai Phong Power One-Member Limited Liability Company – Le Chan Branch	588,227,639	588,227,639	661,324,495	661,324,495
Hai Phong Power One-Member Limited Liability Company – An Duong Branch	517,050,896	517,050,896	536,496,429	536,496,429
Green Europe Plastic Co., Ltd.	918,737,489	918,737,489	-	-
Hai Phong Power One-Member Limited Liability Company – Kien An Branch	286,634,966	286,634,966	215,972,940	215,972,940
My Phat Production and Trading Co., Ltd.	253,463,800	253,463,800	-	-
Hai Phong Hydraulic Construction One-Member Limited Liability Company – Thuy Nguyen Branch	69,891,500	69,891,500	737,921,205	737,921,205
Others	5,708,982,214	5,708,982,214	2,291,344,520	2,291,344,520
	22,867,270,132	22,867,270,132	11,940,665,839	11,940,665,839

13. Tax payables and statutory obligations

	01/01/2024		Movement		31/12/2024	
	Receivables	Payables	Actual payment	Payables	Receivables	Payables
	VND	VND	VND	VND	VND	VND
VAT	184,859,790	-	1,714,016,362	1,714,016,362	184,859,790	-
Corporate income tax	-	5,994,500,876	26,308,799,114	27,702,306,758	-	7,388,008,520
Personal income tax	-	1,400,703,510	7,203,335,605	7,136,871,710	-	1,334,239,615
Natural resource tax	-	278,725,600	278,745,600	299,465,100	-	299,445,100
Land tax and land rental	-	-	1,624,639,136	1,624,639,136	-	-
Others	-	-	1,938,443,907	1,938,443,907	-	-
Other payables	-	1,218,437,295	4,898,972,388	4,913,472,096	-	1,232,937,003
	184,859,790	8,892,367,281	43,966,952,112	45,329,215,069	184,859,790	10,254,630,238

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

14. Loans and liabilities

	01/01/2024		Movement		31/12/2024	
	Book value	Liquidity	Increase	Decrease	Book value	Liquidity
	VND	VND	VND	VND	VND	VND
a) Short-term						
Proportion of long-term loans						
Project 2A (i)	12,499,380,616	12,499,380,616	12,499,380,620	12,499,380,618	12,499,380,622	12,499,380,622
Minh Duc Project (ii)	294,296,279	294,296,279	294,296,286	294,296,276	294,296,283	294,296,283
ADB Project (iii)	60,539,767,397	60,539,767,397	69,149,781,738	64,068,524,820	65,621,024,315	65,621,024,315
	73,333,444,292	73,333,444,292	81,943,458,644	76,862,201,714	78,414,701,220	78,414,701,220
b) Long-term						
Project 2A (i)	24,998,761,240	24,998,761,240	-	12,499,380,618	12,499,380,622	12,499,380,622
Minh Duc Project (ii)	588,592,559	588,592,559	-	294,296,276	294,296,283	294,296,283
ADB Project (iii)	878,395,682,046	878,395,682,046	39,129,953,764	64,068,524,820	853,457,110,990	853,457,110,990
	903,983,035,845	903,983,035,845	39,129,953,764	76,862,201,714	866,250,787,895	866,250,787,895
Maturity within						
- Next 12 months	(73,333,444,292)	(73,333,444,292)			(78,414,701,220)	(78,414,701,220)
- After 12 months	830,649,591,553	830,649,591,553			787,836,086,675	787,836,086,675

Details of loans for each project are as follows:

- (i) **Kien An Water Supply Project (2A):** The purpose of the loan is to finance construction works, procurement of goods, and consultancy services under the Urban Water Supply Development Project (implemented under the Kien An – Hai Phong subproject). The loan was provided under the Subsidiary Loan Agreement dated 24 May 2006, between the Ministry of Finance, representing the Socialist Republic of Vietnam, and the Company, utilizing a portion of Credit No. 4028-VN from the International Development Association (IDA).

The loan was disbursed through the Hai Phong Branch of the Vietnam Development Bank with a fixed interest rate of 5.4% per annum and is due on 01 December 2025. Principal and interest are repayable semi-annually, commencing on 01 June 2011.

The loan is unsecured.

- (ii) **Minh Duc Township Pilot Water Supply Project:** The purpose of the loan is to finance the Design – Build – Operate Pilot Water Supply Project in Minh Duc township, Thuy Nguyen district, Hai Phong city. The loan was provided under the Subsidiary Loan Agreement dated 21 April 2006, between the Ministry of Finance, representing the Socialist Republic of Vietnam, and the Company, utilizing Grant No. TF-053091 from the Government of Finland.

The loan was disbursed through the Hai Phong Branch of the Vietnam Development Bank with a fixed interest rate of 6.0% per annum and is due on 01 December 2025. Principal and interest are repayable semi-annually, commencing on 01 June 2009.

The loan is unsecured.

- (iii) **Hai Phong City Water Supply System Expansion Project – Phase 2 under Vietnam Water Sector Development Program – Project 2:**

The purpose of the loan is to finance the project's expenditures. The loan was provided under the Subsidiary Loan Agreement dated 23 August 2013, between the Ministry of Finance, representing the Socialist Republic of Vietnam, and the Company, utilizing Loan No. 2961-VIE from the Asian Development Bank (ADB).

The loan was disbursed through the Hai Phong Branch of the Vietnam Development Bank with an interest rate based on the Secured Overnight Financing Rate (SOFR) (previously LIBOR for 6-month USD loans, replaced by SOFR since 2022 in accordance with the ADB notification dated 29 October 2021, and the Ministry of Finance's Official Letter No. 14882/BTC-QLN dated 28 December 2021), plus a margin of 0.4% per annum on the outstanding principal and minus a discount rate (subject to semi-annual adjustments); the loan matures on 01 December 2037. Principal and interest are repayable semi-annually, with the first principal repayment due on 01 June 2019, as stipulated in the loan agreement.

The loan is secured by all rights and interests arising from the operation of facilities developed under the Hai Phong Water Supply System Upgrade Project, which have been duly registered under secured transaction regulations.

15. Short - term accrued expenses

	31/12/2024	01/01/2024
	VND	VND
Accrued interest expenses	4,205,921,245	4,890,673,640
Others	707,687,778	-
	<u>4,913,609,023</u>	<u>4,890,673,640</u>

16. Other short-term payables

	31/12/2024 VND	01/01/2024 VND
Payables for major repairs and construction investments	1,602,470,560	7,877,374,312
Payables to internal units for unpaid expenses	3,895,722,111	3,872,197,755
Payable for drainage services remitted to the State budget	2,842,187,599	2,540,537,322
Union funds	115,837,091	84,742,540
Payable for bottle deposit	3,932,250,000	3,315,950,000
Others	1,431,177,668	1,529,540,769
	13,819,645,029	19,220,342,698

17. Bonus and welfare funds

	Bonus and welfare funds VND	Executive Bonus Fund VND	Total VND
As at 01/01/2023	17,125,434,432	202,940,092	17,328,374,524
Profit distribution of 2022	23,817,540,115	1,200,000,000	25,017,540,115
Utilization of funds during the year	(22,605,146,307)	(1,054,777,781)	(23,659,924,088)
As at 31/12/2023	18,337,828,240	348,162,311	18,685,990,551
Profit distribution of 2023	24,543,806,255	1,200,000,000	25,743,806,255
Other increase	5,400,000	-	5,400,000
Utilization of funds during the year	(28,273,410,960)	(1,547,666,665)	(29,821,077,625)
As at 31/12/2024	14,613,623,535	495,646	14,614,119,181

18. Owners' equity

a) Changes in owner's equity

	Contributed charter capital VND	Share premium VND	Other owner's equity VND	Investment and development fund VND	Retained earnings VND	Non-controlling interest VND	Total VND
As at 01/01/2023	742,069,400,000	559,419,000	33,249,781,250	145,789,544,217	102,927,133,347	38,169,798,938	1,062,765,076,752
Profit of the previous year	-	-	-	-	94,343,303,242	7,782,128,265	102,125,431,507
Profit distribution of 2022	-	-	-	6,607,898,347	(93,269,271,847)	(6,566,079,115)	(93,227,452,615)
As at 31/12/2023	742,069,400,000	559,419,000	33,249,781,250	152,397,442,564	104,001,164,742	39,385,848,088	1,071,663,055,644
Profit of the current year	-	-	-	-	102,480,866,954	8,196,707,351	110,677,574,305
Profit distribution of 2023 (*)	-	-	-	6,886,246,935	(94,343,303,243)	(6,496,662,447)	(93,953,718,755)
As at 31/12/2024	742,069,400,000	559,419,000	33,249,781,250	159,283,689,499	112,138,728,453	41,085,892,992	1,088,386,911,194

(*) The distribution of 2023 profits between the parent company and its subsidiaries has led to the formation of the following items on the consolidated balance sheet:

	Parent company (1)	Subsidiary distribution		Total (3) = (1) + (2)
		Parent company (2)	Non-controlling interests	
Appropriation to the development investment fund	4,468,089,750	2,418,157,185	1,285,465,817	6,886,246,935
Appropriation to the reward and welfare fund	21,317,806,255	2,106,309,167	1,119,690,833	23,424,115,422
Appropriation to the management fund	500,000,000	457,041,667	242,958,333	957,041,667
Dividend payment	63,075,899,000	9,657,861,500	5,134,013,500	72,733,760,500
	89,361,795,005	14,639,369,519	7,782,128,483	104,001,164,524

b) Details of Contributed capital

	31/12/2024		01/01/2024	
	VND	%	VND	%
State capital contribution	597,978,400,000	80.58	597,978,400,000	80.58
Other shareholders	144,091,000,000	19.42	144,091,000,000	19.42
	742,069,400,000	100.00	742,069,400,000	100.00

c) Capital transactions with owners and distribution of dividends and profits

	Year 2024	Year 2023
	VND	VND
Owner's Capital Contribution		
- Capital contribution at the beginning of the year	742,069,400,000	742,069,400,000
- Capital contribution at the end of the year	742,069,400,000	742,069,400,000
Dividends and Profits		
- Dividends, profits payable at the beginning of the year	-	-
- Dividends, profits payable during the period	68,209,912,500	68,209,912,500
+ Dividends, profits distributed from previous year's earnings	68,209,912,500	68,209,912,500
- Dividends, profits paid in cash	68,209,912,500	68,209,912,500
+ Dividends, profits distributed from previous year's earnings	68,209,912,500	68,209,912,500
- Dividends, profits payable at the end of the period	-	-

d) Share

	31/12/2024	01/01/2024
Number of shares registered for issuance	74,206,940	74,206,940
Number of shares issued and fully paid	74,206,940	74,206,940
- Ordinary shares	74,206,940	74,206,940
Number of shares outstanding	74,206,940	74,206,940
- Ordinary shares	74,206,940	74,206,940
Par value of outstanding shares: VND 10,000 per share		

19. Off-balance sheet items and operating lease commitments

Assets under Operating Lease

The Parent company is managing and utilizing 49 land plots located in Hai Phong City with a total area of 372,397.74 square meters, primarily for use as headquarters, office buildings, water treatment plants, enterprise branches, warehouses, pumping stations, and reservoirs. The land use form is land lease with annual rental payments.

The subsidiary is currently using a land plot located in Tan Tien Ward, An Duong District, Hai Phong City, with a total area of 7,368.4 square meters, under Contract No. 70/HĐ-TĐ dated 10 September 2018, signed with the People's Committee of Hai Phong City. The purpose of the land use is for constructing a factory and office headquarters. The subsidiary is exempt from land rent for this area from October 2018 to October 2043.

Assets assigned for Management

The Company has been assigned by the People's Committee of Hai Phong City to manage assets under the An Duong Water Treatment Plant Upgrade Project, which was funded by non-refundable aid from the Government of Japan. These assets are operated and maintained by the Company to provide clean water supply for local residents, serving social welfare purposes.

On 24 June 2022, the Prime Minister promulgated Decree No. 43/2022/ND-CP regulating the management, use, and exploitation of clean water infrastructure under state management. As at 31 December 2024, the Company has completed reporting to the Hai Phong Department of Construction the list of facilities under its operation that provide clean water for residents and serve social welfare purposes. The Company is currently awaiting guidance from competent authorities on the asset management regime in accordance with the applicable regulations.

Foreign currencies

	31/12/2024	01/01/2024
USD	200.11	200.11

20. Gross revenues from goods sold and services rendered

	Year 2024	Year 2023
	VND	VND
Clean water business	1,271,902,768,831	1,113,522,503,920
Water dispenser installation	5,239,806,035	7,394,646,760
Purified water	10,641,882,857	10,210,056,168
	1,287,784,457,723	1,131,127,206,848

21. Cost of good solds and services rendered

	Year 2024	Year 2023
	VND	VND
Clean water business	789,516,021,859	664,852,379,710
Water dispenser installation	4,932,887,730	7,030,432,198
Purified water	9,810,518,575	9,085,964,569
	804,259,428,164	680,968,776,477

22. Financial income

	Year 2024	Year 2023
	VND	VND
Interest on savings	23,393,706,228	26,215,107,602
Gain on exchange difference in the year	187,481,303	-
	23,581,187,531	26,215,107,602

23. Financial expenses

	Year 2024	Year 2023
	VND	VND
Interest expense	57,466,701,350	60,775,543,195
Loss on exchange difference in the year	-	886,041,775
Loss on exchange difference at the year-end	39,129,728,441	25,564,385,302
	96,596,429,791	87,225,970,272

24. Selling expenses

	Year 2024	Year 2023
	VND	VND
Labor	106,718,908,709	96,752,540,385
Materials and supplies	2,105,203,878	1,943,437,303
Depreciation and amortization	28,254,983,380	39,922,214,514
External services	14,124,966,429	11,707,079,032
Others by cash	4,662,245,335	2,579,777,097
	155,866,307,731	152,905,048,331

25. General administrative expenses

	Year 2024	Year 2023
	VND	VND
Labor	59,962,636,772	56,001,398,403
Materials and supplies	6,518,804,183	6,317,971,047
Depreciation and amortization	3,994,184,503	3,737,829,968
Taxes, fees, and charges	6,892,756,705	5,804,698,129
External services	24,577,323,476	19,998,785,322
Others by cash	15,473,920,336	16,893,443,241
	117,419,625,975	108,754,126,110

26. Other income

	Year 2024	Year 2023
	VND	VND
Liquidation of materials	3,183,901,817	-
Disposal of fixed assets	321,997,307	722,500,000
Collection of drainage service fees	12,270,435,933	10,900,457,271
Others	1,484,348,792	1,522,914,072
	17,260,683,849	13,145,871,343

27. Other expenses

	Year 2024	Year 2023
	VND	VND
Liquidation of materials	1,504,881,065	-
Disposal of fixed assets	46,568,822	51,957,074
Cost of collecting of drainage service fees	12,152,106,668	10,800,630,485
Others	2,432,898,824	1,837,418,440
	16,136,455,379	12,690,005,999

28. Corporate income tax

	Year 2024 VND	Year 2023 VND
Current corporate income tax at the parent company	21,766,516,869	20,099,634,347
Current corporate income tax at the subsidiary	5,903,990,889	5,719,192,750
	27,670,507,758	25,818,827,097

29. Earning per shares

	Year 2024 VND	Year 2023 VND
Profit after corporate income tax	102,480,866,954	94,343,303,242
Profit attributable to ordinary shareholders	102,480,866,954	94,343,303,242
Weighted average number of ordinary shares outstanding during the period	74,206,940	74,206,940
	1,381	1,271

30. Expenses by nature

	Year 2024 VND	Year 2023 VND
Raw materials	133,437,847,882	122,040,624,315
Labour expenses	285,494,125,838	265,941,624,335
Depreciation expenses	214,273,393,214	239,777,091,613
External services	363,123,288,344	240,819,135,594
Others	81,007,133,375	74,547,526,284
	1,077,335,788,653	943,126,002,141

31. Financial instrument

Financial risk management

Financial risks that the Company may face risks including: market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of the Chairman of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company may face with the market risk such as: exchange rates and interest rates.

Exchange rate risk

The Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts

Interest rate risk:

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year	From 1 to 5 years	Total
	VND	VND	VND
31/12/2024			
Cash and cash equivalents	17,244,532,130	-	17,244,532,130
Trade and other receivables	28,124,342,493	-	28,124,342,493
Loans	539,800,000,000	700,000,000	540,500,000,000
	585,168,874,623	700,000,000	585,868,874,623
01/01/2024			
Cash and cash equivalents	14,746,923,314	-	14,746,923,314
Trade and other receivables	25,848,695,257	-	25,848,695,257
Loans	432,800,000,000	700,000,000	433,500,000,000
	473,395,618,571	700,000,000	474,095,618,571

Liquidity Risk:

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company mainly arises from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5 years	More than 5 years	Total
	VND	VND	VND	VND
31/12/2024				
Borrowing and debts	78,414,701,220	262,484,097,248	525,351,989,427	866,250,787,895
Trade and other payables	36,686,915,161	-	-	36,686,915,161
Accrued expenses	4,913,609,023	-	-	4,913,609,023
	120,015,225,404	262,484,097,248	525,351,989,427	907,851,312,079
01/01/2024				
Borrowing and debts	73,333,444,292	254,020,199,784	576,629,391,769	903,983,035,845
Trade and other payables	31,161,008,537	-	-	31,161,008,537
Accrued expenses	4,890,673,640	-	-	4,890,673,640
	109,385,126,469	254,020,199,784	576,629,391,769	940,034,718,022

The Company believes that risk level of loan repayment is low (or controllable). The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

32. Subsequent events

There have been no significant events occurring after the accounting period, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

33. Transaction with related parties

Remuneration of the Board of Directors, Management Board and Supervisory Board:

Full name	Position	Year 2024 VND	Year 2023 VND
Tran Viet Cuong	Chairman of the Board of Directors	1,124,197,048	1,076,991,501
Tran Van Duong	General Director – Vice Chairman of the Board of Directors	1,002,334,206	956,150,166
Cao Van Quy	Deputy General Director – Member of the Board of Directors	935,401,143	868,713,993
Trinh Anh Tuan	Deputy General Director – Member of the Board of Directors	922,521,250	837,544,637
Dang Huu Dung	Member of the Board of Directors	255,980,000	240,820,000
Vu Hong Duong	Member of the Board of Directors (Resigned as from 20 April 2023)	-	83,500,000
Nguyen Dang Ninh	Chief Accountant	766,130,806	714,711,380
Nguyen Danh Quan	Deputy General Director	754,224,615	709,248,046
Le Thi Huong	Head of the Supervisory Board	733,046,651	659,314,981
Do Thi Thanh Diep	Member of the Supervisory Board	148,280,000	136,280,000
Nguyen Minh Hoang	Member of the Supervisory Board	303,226,054	293,813,183
		6,945,341,772	6,577,087,886

Except for the related parties with transactions as mentioned above, other related parties have no transactions during the period as well as balance at the end of the financial year with the Company.

34. Corresponding figures

The corresponding figures are those taken from the Consolidated Financial Statements for the year ended as at 31 December 2023, which was audited by AASC Limited.



Tran Viet Cuong
Chairman

Nguyen Dang Ninh
Chief Accountant

La Thi Thu Huyen
Preparer

Hai Phong, 18 March 2025