

No.: *01*/TB-HĐQT

Khanh Hoa, January 16, 2025

**PERIODIC INFORMATION DISCLOSURE
OF FINANCIAL STATEMENTS**

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange

Pursuant to Clauses 3 and 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, providing guidance on information disclosure in the securities market, Khanh Hoa Water Supply and Sewerage Joint Stock Company hereby discloses information regarding the financial statements (FS) for Quarter 4/2023 to the Hanoi Stock Exchange as follows:

1. Organization details:

- Stock code: KHW
- Address: 58 Yersin Street, Phuong Sai Ward, Nha Trang City
- Contact phone: 0258.3828807 Fax: 0258.3810740
- Email: support@ctnkh.com.vn **Website:** <http://ctnkh.com.vn>

2. Details of Information Disclosure:

- Financial Statements for Quarter 4/2023
 - Separate financial statements (for listed companies without subsidiaries or accounting units under a superior accounting entity);
 - Consolidated financial statements (for listed companies with subsidiaries);
 - Combined financial statements (for listed companies with dependent accounting units under a separate accounting structure).

- Cases requiring explanation:

+ The auditing organization issues an opinion other than an unqualified opinion for the FS (for reviewed/audited FS):

Yes No

Explanatory note required if applicable:

Yes No

+ Post-tax profit for the reporting period differs by 5% or more before and after the audit, or shifts from loss to profit or vice versa (for audited FS in 2024):

Yes

No

Explanatory note required if applicable:

Yes

No

+ Post-tax profit in the income statement for the reporting period changes by 10% or more compared to the same period last year:

Yes

No

Explanatory note required if applicable:

Yes

No

+ Post-tax profit for the reporting period is a loss, shifting from profit in the same period last year to loss this year, or vice versa:

Yes

No

Explanatory note required if applicable:

Yes

No

This information has been published on the company's website on January 16, 2025 at the following link: <http://ctnkh.com.vn/qhcd.aspx>

Attached documents:

- Financial Statements for Quarter 4/2024
- Explanatory documents

Representative of the organization



Nguyễn Văn Đàm

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

FINANCIAL STATEMENTS

FOURTH QUARTER 2024

For the Fiscal year ended on 31 December 2024

**KHANH HOA WATER SUPPLY
AND SEWERAGE JOINT STOCK
COMPANY**

Nha Trang, 15 January 2025

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

FINANCIAL STATEMENTS

FOURTH QUARTER 2024

For the Fiscal year ended on 31 December 2024

**KHANH HOA WATER SUPPLY
AND SEWERAGE JOINT STOCK
COMPANY**

Nha Trang, 15 January 2025

**KHANH HOA WATER SUPPLY
AND SEWERAGE JOINT STOCK
COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No : 48.../CTN-KT

Khanh Hoa, 15 January, 2025

Re: Explaining the difference between the Net profit after tax of the fourth quarter of 2024 and that of the fourth quarter of 2023.

To :

State Securities Commission of Vietnam
Hanoi Stock Exchange (HNX)

- Pursuant to Circular No 96/2020/TT-BTC dated on 16 November, 2020 of the Ministry of Finance on Providing guidelines on disclosure of information on securities market;

- Pursuant to Khanh Hoa Water supply and sewerage Joint Stock Company's Financial Statement for the 4th quarter of 2023 and the Financial Statement for the 4th quarter of 2024;

1. Company's name: Khanh Hoa Water supply and sewerage Joint Stock Company (KHAWASSCO)
2. Domestic securities symbols: KHW
3. Headquarter's address: 58 Yersin Str. – Phuong Sai Ward – Nha Trang City – Khanh Hoa Province
4. Tel. number: 0258-3822315; Fax: 0258-3810740
5. Information to be disclosed:

Explaining the reason for the After-tax Net profit shown in the Financial Statement of Q4/2024 increased more than 10% comparing to that of Q4/2023:

No.	Description	Q4/2024	Q4/2023	Difference	%
1	Net revenue from sale of goods and rendering of services	106.478.323.310	100.331.998.697	6.146.324.613	106,13%
2	Net profit before tax	24.876.244.656	11.062.709.679	13.813.534.977	224,87%
3	Current corporate income tax	2.650.288.683	1.291.003.654	1.359.285.029	205,29%
4	Net profit after tax	22.225.955.973	9.771.706.025	12.454.249.948	227,45%

Reasons:

Based on the business performance results in the Income Statement of Q4/2024 compared to Q4/2023, the company's Net profit before tax increased by 13.813.534.977 VND (equivalent to a 124,87% increase), and Net profit after tax rose by 12.454.249.948 VND (equivalent to a 127,45% increase) due to the following reasons:

- Significant growth in tourism: Starting from early 2024, the number of tourists visiting Nha Trang increased significantly, resulting in higher water sales for the company in Q4/2024 compared to Q4/2023.

- Adjustment of water pricing for business households: During the COVID-19 pandemic, most business households ceased operations and requested adjustments from business water price rates to residential water price rates. However, since early 2024, as business activities gradually stabilized, the company strengthened on-site inspections to ensure proper usage purposes. This returned business households' price rates to the appropriate business water rates, contributing to an increase in water revenue in Q4/2024 by 11.778.835.993 VND (equivalent to a 13,38% increase) compared to Q4/2023.

- Increase in financial revenue: Q4/2024 coincided with the bank's interest payouts for deposit contracts, leading to a 44,84% increase in financial revenue compared to Q4/2023.

- Reduction in Asset costs: Certain fixed assets had fully depreciated but were still in use for business operations. Additionally, cost savings were achieved through competitive bidding for production material purchases, leading to a reduction in the cost of sales by 3.278.924.078 VND (equivalent to a 3,91% decrease).

- Lower administrative expenses: Based on the company's production situation, no allocation was made to the Science and Technology development fund in 2024. As a result, administrative expenses decreased by 3.403.384.685 VND (equivalent to a 47,33% reduction).

From these factors above, the company's Net profit before tax in Q4/2024 increased by 12.454.249.948 VND (equivalent to a 127,45% increase) compared to Q4/2023.

We hereby certify that the above explanations are entirely accurate and assume legal responsibility for the disclosure of this information.

Sincerely,

Record keeping:

- As stated above;
- Admin office, Accounting Dept. (Mr. Quan).



Nguyễn Văn Đàm

BALANCE SHEET

As at 31 December, 2024

Currency: VND

Items	Code	Notes	Closing balance	Opening balance
1	2	3	4	5
A - CURRENT ASSETS (100=110+120+130+140+150)	100		175.722.051.133	167.505.631.690
I. Cash and cash equivalents	110	1	6.619.633.610	5.911.948.981
1. Cash	111		3.524.661.910	2.885.770.881
2. Cash equivalents	112		3.094.971.700	3.026.178.100
II. Short-term financial investments	120	2a	99.878.796.849	87.005.506.968
1. Trading securities	121			
2. Provision for diminution in value of trading securities (*)	122			
3. Held-to-maturity Investments	123		99.878.796.849	87.005.506.968
III. Current receivables	130		45.604.095.012	48.118.631.563
1. Short-term trade receivables	131	3	43.162.649.568	45.594.954.539
2. Short-term prepayments to suppliers	132	4	402.513.331	1.070.884.800
3. Short-term intercompany receivables	133			
4. Construction contracts-in-progress receivables	134			
5. Short-term lendings	135			
6. Other short-term receivables	136	5	2.192.532.113	1.606.392.224
7. Provision for short term doubtful debts (*)	137	6	(153.600.000)	(153.600.000)
8. Shortage of assets awaiting resolution	139			
IV. Inventories	140	7	23.619.525.662	26.250.970.785
1. Inventories	141		23.619.525.662	26.250.970.785
2. Provision for devaluation of inventories (*)	149			
V. Other current assets	150			218.573.393
1. Short-term prepaid expenses	151	8		218.573.393
2. Value added tax deductibles	152			
3. Tax and other receivables from the State Budget	153	14a		
4. Government bonds under repurchase agreement	154			
5. Other current assets	155			
B - LONG-TERM ASSETS (200=210+220+230+240+250+260)	200		438.594.946.173	374.622.823.813
I. Long-term receivables	210			
1. Long-term trade receivables	211			
2. Long-term prepayments to suppliers	212			
3. Capital provided to dependent units	213			
4. Long-term intercompany receivables	214			
5. Long-term lendings	215			
6. Other long-term receivables	216			
7. Provision for long term doubtful debts (*)	219			
II. Fixed assets	220		407.013.504.692	339.231.173.250
1. Tangible fixed assets	221	9	394.100.162.362	325.470.397.360

This note is an integral part of and should be read in conjunction with the financial statements.

1	2	3	4	5
- Original cost	222		1.279.146.218.043	1.251.114.737.332
- Accumulated depreciation (*)	223		(885.046.055.681)	(925.644.339.972)
2. Financial lease fixed assets	224			
- Original cost	225			
- Accumulated depreciation (*)	226			
3. Intangible fixed assets	227	10	12.913.342.330	13.760.775.890
- Original cost	228		28.754.389.400	28.671.219.400
- Accumulated depreciation (*)	229		(15.841.047.070)	(14.910.443.510)
III. Investment properties	230			
- Original cost	231			
- Accumulated depreciation (*)	232			
IV. Long-term assets in progress	240	11	4.806.402.042	7.813.100.502
1. Long-term works in progress	241			
2. Constructions in progress	242		4.806.402.042	7.813.100.502
V. Long-term financial investments	250	2b	24.000.000.000	24.000.000.000
1. Investments in subsidiaries	251			
2. Investments in associates, joint ventures	252		24.000.000.000	24.000.000.000
3. Investments in other entities	253			
4. Provision for long-term financial investments (*)	254			
5. Investments held to maturity	255			
VI. Other long-term assets	260	8	2.775.039.439	3.578.550.061
1. Long-term prepaid expenses	261		2.775.039.439	3.578.550.061
2. Deferred income tax assets	262			
3. Long-term substituted equipment, supplies and spare parts	263			
4. Other long-term assets	268			
TOTAL ASSETS (270=100+200)	270		614.316.997.306	542.128.455.503
C - LIABILITIES (300=310+330)	300		217.140.674.859	189.525.076.027
I. Short-term liabilities	310		96.840.535.484	99.465.616.646
1. Short-term trade payables	311	12	11.009.985.207	18.251.856.654
2. Short-term advances from customers	312	13	1.836.810.000	2.279.091.081
3. Tax and obligations to the State	313	14a	12.926.241.281	9.648.768.130
4. Payable to employees	314		20.813.903.056	24.208.597.039
5. Short-term accrued expenses	315	15	4.658.075.983	2.744.232.880
6. Short-term intercompany payables	316			
7. Construction contracts-in-progress payables	317			
8. Short-term unearned revenue	318			
9. Other short-term payables	319	16a	6.764.221.151	7.120.135.270
10. Short-term borrowings	320	17a	32.172.324.932	28.450.630.910
11. Provision for short-term liabilities	321			
12. Bonus and welfare funds	322	18	6.658.973.874	6.762.304.682
13. Price stabilization funds	323			
14. Government bonds under repurchase agreement	324			
II. Long-term liabilities	330		120.300.139.375	90.059.459.381
1. Long-term trade payables	331			
2. Long-term advances from customers	332			
3. Long-term accrued expenses	333			
4. Intercompany payables on capital contribution	334			
5. Long-term intercompany payables	335			

This note is an integral part of and should be read in conjunction with the financial statements.

1	2	3	4	5
6. Long-term unearned revenue	336			
7. Other long-term payables	337	16b	9.932.332.308	11.591.266.308
8. Long-term borrowings	338	17b	104.962.794.659	72.760.119.591
9. Convertible bonds	339			
10. Preference shares	340			
11. Deferred income tax liabilities	341			
12. Provision for long-term liabilities	342			
13. Science and technology development fund	343	19	5.405.012.408	5.708.073.482
D - OWNERS' EQUITY (400=410+430)	400		397.176.322.447	352.603.379.476
I. Owners' equity	410		397.176.322.447	352.603.379.476
1. Owners' equity	411	20a	285.999.960.000	285.999.960.000
- Ordinary shares with voting rights	411A		145.860.000.000	285.999.960.000
- Preference shares	411B		140.139.960.000	
2. Share premium	412		852.875.935	852.875.935
3. Share conversion options on convertible bonds	413			
4. Owners' other capital	414			
5. Treasury shares (*)	415			
6. Differences upon asset revaluation	416			
7. Foreign exchange differences	417			
8. Investment and development funds	418		22.719.748.493	4.284.842.050
9. Enterprise reorganisation assistance fund	419			
10. Other funds	420			
11. Undistributed earnings	421		87.603.738.019	61.465.701.491
- Undistributed post-tax profits of previous years	421A			
- Post-tax profits of current years	421B		87.603.738.019	61.465.701.491
12. Construction investment fund	422			
II. Budget sources and other funds	430			
1. Budget sources	431			
2. Funds that form fixed assets	432			
TOTAL RESOURCES(440=300+400)	440		614.316.997.306	542.128.455.503

Nha Trang, 15 January, 2025

PREPARER

(Signature and full name)


Trần Thị Thu Hà

CHIEF ACCOUNTANT

(Signature and full name)


Nguyễn Văn Quân

GENERAL DIRECTOR

(Signature, full name and seal)


TỔNG GIÁM ĐỐC

Nguyễn Văn Đàm

INCOME STATEMENT

The 4th quarter of 2024

Currency: VND

Description	Code	Note	Quarter 1 of		Accumulated of	
			Current year	Previous year	Current year	Previous year
1	2	3	4	5	6	7
1. Gross revenue from sale of goods and rendering of services	01	21a	106.484.790.964	100.331.998.697	435.557.403.966	385.984.406.828
2. Revenue deductions	02	22	6.467.654		23.487.617	17.708.361
+ Sale refunded	02C		6.467.654		23.487.617	17.708.361
3. Net revenue from sale of goods and rendering of services (10=01- 02)	10		106.478.323.310	100.331.998.697	435.533.916.349	385.966.698.467
4. Cost of sales	11	23	80.488.658.852	83.767.582.930	326.940.770.938	306.209.968.105
5. Gross profit from sale of goods and rendering of services (20=10-11)	20		25.989.664.458	16.564.415.767	108.593.145.411	79.756.730.362
6. Financial income	21	24	3.210.406.777	2.216.455.452	5.151.602.078	5.382.178.789
7. Financial expenses	22	25	702.119.007	369.683.694	4.587.024.014	3.421.683.573
- In which: Interest expenses	23		702.119.007	369.683.694	4.587.024.014	3.421.683.573
8. Selling expenses	25	26	150.000.000	150.000.000	450.000.000	600.000.000
9. General and administration expenses	26	27	3.786.834.496	7.190.219.181	11.479.151.113	13.506.539.545
10. Net operating profit (loss) {30=20+(21-22)-(25+26)}	30		24.561.117.732	11.070.968.344	97.228.572.362	67.610.686.033
11. Other income	31	28	1.420.275.578	1.051.007.482	5.817.410.349	5.354.806.574
12. Other expenses	32	29	1.105.148.654	1.059.266.147	4.718.267.345	4.280.099.025
13. Net other profit (loss) (40=31-32)	40		315.126.924	(8.258.665)	1.099.143.004	1.074.707.549
14. Net profit before tax (50=30+40)	50		24.876.244.656	11.062.709.679	98.327.715.366	68.685.393.582
15. Current corporate income tax ("CIT")	51	14b	2.650.288.683	1.291.003.654	10.723.977.347	7.338.428.638
16. Deferred corporate income tax	52					
17. Net profit after tax (60=50-51-52)	60		22.225.955.973	9.771.706.025	87.603.738.019	61.346.964.944
18. Basic earnings per share	70					
19. Diluted earnings per share	71					

PREPARER

(Signature and full name)


Trần Thị Thu Hà

CHIEF ACCOUNTANT

(Signature and full name)


Nguyễn Văn Quân

Nha Trang, 15 January, 2025

GENERAL DIRECTOR

(Signature, full name and seal)



Nguyễn Văn Đàm

CASH FLOW STATEMENT

(Direct method)

The 4th quarter of 2024

Currency: VND

Items	Code	Note	Current year accumulated	Previous year accumulated
1	2	3	4	5
I. Cash flows from operating activities				
1. Revenue from sale of goods, rendering of services and other	01		561.213.711.522	490.112.442.129
2. Payments to suppliers for goods and services	02		(215.455.679.329)	(179.152.113.758)
3. Payments to employees	03		(111.812.352.979)	(95.397.425.958)
4. Interest paid	04		(6.685.323.823)	(5.074.485.048)
5. Corporate income tax paid	05		(8.800.000.000)	(5.550.000.000)
6. Other receipts from operating activities	06		36.106.654.417	38.990.421.780
7. Other payments on operating activities	07		(168.218.599.261)	(150.153.341.507)
1. Net cash flows from operating activities	20		86.348.410.547	93.775.497.638
II. Cash flows from investing activities				
1. Purchases of fixed assets and other long-term assets	21		(3.215.430.882)	(1.917.655.866)
2. Proceeds from disposals of fixed assets and long-term assets	22		380.629.091	
3. Loans granted, purchases of debt instruments of other entities	23		(152.466.740.582)	(100.052.517.338)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		140.098.182.356	69.830.129.790
5. Investments in other entities	25			
6. Proceeds from divestment in other entities	26			
7. Dividends and interest received	27		1.101.003.951	1.124.900.383
2. Net cash flows from investing activities	30		(14.102.356.066)	(31.015.143.031)
III. Cash flows from financing activities				
1. Proceeds from issue of shares and capital contribution	31			
2. Payments for share returns and repurchases	32			
3. Proceeds from borrowings	33			
4. Repayments of borrowings	34		(31.416.630.910)	(29.314.484.932)
5. Repayment of principal on finance leases	35			
6. Dividends paid, profits distributed to owners	36		(40.121.738.942)	(34.385.666.445)
3. Net cash flows from financing activities	40		(71.538.369.852)	(63.700.151.377)
4. Net cash flows during the period (50 = 20+30+40)	50		707.684.629	(939.796.770)
5. Cash and cash equivalents at beginning of the period	60		5.911.948.981	6.851.745.751

1	2	3	4	5
6. Effect of foreign exchange differences	61			
7. Effect of reclassification of cash equivalents at the end of the period.	62			
8. Cash and cash equivalents at end of the period (70 = 50+60+61+62)	70	1	6.619.633.610	5.911.948.981

Nha Trang, 15 January, 2025

PREPARER

(Signature and full name)



Trần Thị Thu Hà

CHIEF ACCOUNTANT

(Signature and full name)



Nguyễn Văn Quân

GENERAL DIRECTOR

(Signature, full name and seal)



Nguyễn Văn Đàm

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ending 31 December, 2024

Notes to the Financial Statement (continued)

NOTES TO THE FINANCIAL STATEMENT

For the fiscal year ending 31 December, 2024

I. OPERATIONAL CHARACTERISTICS

1. Ownership Structure

Khanh Hoa Water Supply and Sewerage Joint Stock Company (hereinafter referred to as "the Company") is a joint-stock company.

2. Business operation

The Company operates in production and services.

3. Principal activities

The Company's main business activities include: Producing and supplying clean water; Constructing and installing pump stations and water supply and drainage pipelines; Designing water networks and pump station facilities; Consulting and appraising water network and pump station projects.

4. Normal production and operating cycle

The Company's normal production and operating cycle is generally within 12 months.

5. The operating characteristics of The Company in the financial year may affect the financial statements

Profit for this year has increased compared to the previous year due to a rise in net revenue from the Company's business activities, mainly water production. The Company continues to expand its water supply network within the province, which has contributed to increased revenue. Additionally, financial income has risen due to an increase in fixed-term deposits.

6. The Company's structure

As of 31 December, 2024, the Company has 1 associated company as follows:

<u>Name</u>	<u>Address</u>	<u>Voting Rights</u>	<u>Ownership</u>	<u>Interest</u>
Associated Company:				
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam	30%	30%	30%

The Company's subsidiaries as of 31 December, 2024, include:

<u>Name</u>	<u>Address</u>
Xuan Phong Water Plant	Phu Binh Hamlet, Vinh Thanh Commune, Nha Trang City
Vo Canh Water Plant	Go Dinh, Vo Canh Hamlet, Vinh Trung Commune, Nha Trang City
Khanh Son Water Plant	To Hap Town, Khanh Son District

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statement (continued)

Branch of the Khanh Hoa Water Supply
and Sewerage Joint Stock Company -
Drainage Construction Enterprise

1B Le Hong Phong Street, Phuoc Tan Ward, Nha
Trang City, Khanh Hoa Province

7. Statement on the Comparability of Financial Statement Information

The corresponding figures for this year are comparable to those of the previous year.

8. Employees

As of the end of the fourth quarter of 2024, the Company employed 329 staff members (compared to 330 at the beginning of the year).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal Year

The Company's fiscal year begins on 1 January and ends on 31 December of each year.

2. Reporting Currency

The reporting currency applied to prepare the Financial Statements is the Vietnamese Dong (VND), as most transactions are conducted in VND.

III. ACCOUNTING STANDARDS AND POLICIES APPLIED

1. Applied Accounting System

The Company applies the Vietnamese Accounting Standards and the Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, and other guiding circulars issued by the Ministry of Finance for preparing and presenting financial statements.

2. Compliance Statement on Accounting Standards and Policies

The Board of Directors ensures compliance with the requirements of Vietnamese Accounting Standards and the Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC, as well as other guiding circulars of the Ministry of Finance, in preparing and presenting financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for Preparing Financial Statements

Financial statements are prepared based on the accrual basis of accounting (except for cash flow-related information).

2. Cash and Cash Equivalents

Cash includes cash on hand and demand deposits at banks. Cash equivalents are short-term investments with a maturity of no more than three months from the date of investment, which are easily convertible to a known amount of cash and carry minimal risk of change in value.

3. Financial Investments

Held-to-maturity Investments

Investments classified as held-to-maturity are those that the Company intends and is able to hold until maturity. These include term deposits at banks (including promissory notes, certificates of deposit), bonds, redeemable preference shares that the issuer is obligated to repurchase at a specific

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statement (continued)

future date, and loans held to maturity with the objective of earning periodic interest income, as well as other investments intended to be held until maturity.

Initial recognition of held-to-maturity investments is at cost, including purchase price and transaction costs related to acquiring the investments. After initial recognition, these investments are measured at their recoverable value. Interest income earned after the date of purchase is recognized in the income statement on an accrual basis. Any interest received before the Company acquires the investments is deducted from the initial cost at the time of purchase.

When there is conclusive evidence that a portion or the entire investment may not be recoverable, and the amount of loss can be reliably determined, the loss is recognized in the financial expenses for the period and directly deducted from the value of the investment.

Investments in Associates

Associated Company

An associated company is an entity over which the Company has significant influence but does not have control over its financial and operating policies. Significant influence is the ability to participate in the financial and operating policy decisions of the investee but not control or jointly control those policies.

Initial Recognition

Investments in associated companies are initially recognized at cost, including the purchase price or contributed capital plus directly attributable investment costs. In cases where the investment is made using non-monetary assets, the cost of the investment is recorded at the fair value of the non-monetary assets at the time of the transaction.

Dividends and profits from periods prior to the acquisition of the investment are deducted from the carrying value of the investment itself. Dividends and profits from periods after the acquisition of the investment are recognized as revenue. Dividends received in the form of shares are only recorded as an increase in the number of shares, without recognizing the value of the shares received.

Provision for Investment Losses in Associated Companies

A provision for investment losses in associated companies is established when the associated company incurs losses. The provision amount is determined as the difference between the actual capital contribution of the parties to the associated company and the actual equity, multiplied by the Company's ownership ratio in the associated company's charter capital. If the associated company prepares consolidated financial statements, the provision for losses is based on the consolidated financial statements.

Adjustments to the provision for investment losses in associated companies, determined as of the financial year-end, are recognized in financial expenses.

4. Receivables

Receivables are presented at their book value, net of provisions for doubtful debts.

Receivables are classified as trade receivables and other receivables based on the following principles:

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- Trade receivables represent amounts due from customers that are of a commercial nature, arising from transactions involving the purchase and sale of goods or services between the Company and independent buyers.
- Other receivables represent non-commercial amounts due that are unrelated to purchase or sale transactions.

Provisions for doubtful debts are established for each doubtful receivable based on the expected level of loss that may occur.

Increases or decreases in the balance of provisions for doubtful debts, as required at the end of the financial year, are recognized in administrative expenses.

5. Inventories

Inventories are recorded at the lower of cost and net realizable value (NRV).

The cost of inventories is determined as follows:

- Raw materials: Includes purchase costs and other directly related costs incurred to bring the inventory to its current location and condition.
- Work-in-progress costs: Includes the cost of primary raw materials, labor costs, and other directly related expenses.

The cost of inventory is calculated using the weighted average method and accounted for under the perpetual inventory system.

NRV is the estimated selling price of inventory in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Provisions for inventory write-downs are established for each item of inventory whose cost exceeds its NRV. For unfinished services, provisions are calculated based on the specific type of service with its own pricing. Increases or decreases in the provision for inventory write-downs required at the end of the accounting period are recognized in the cost of goods sold.

6. Prepaid Expenses

Prepaid expenses include actual costs incurred that relate to the production and business activities of multiple accounting periods. The Company's prepaid expenses mainly consist of expenses for tools, equipment, and costs for repairing, renovating, and installing pipelines. These prepaid expenses are allocated over the prepaid period or the period during which the corresponding economic benefits are realized.

Tools and Equipment

Tools and equipment in use are allocated to expenses using the straight-line method over an allocation period of no more than 36 months.

Repair, Renovation, and Installation Costs for Pipelines

Costs related to the repair, renovation, and installation of pipelines are allocated to expenses using the straight-line method over an allocation period of no more than 36 months.

7. Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the Company to acquire the assets up to the point they are

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ready for use. Post-acquisition costs are added to the cost of the fixed asset only if it is certain that these costs will increase the future economic benefits derived from using the asset. Costs that do not meet this condition are recorded as production or business expenses in the period.

When tangible fixed assets are sold or liquidated, their cost and accumulated depreciation are derecognized, and any resulting gain or loss is recorded as income or expense in the period.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives. The depreciation periods for various types of tangible fixed assets are as follows:

<u>Type of Fixed Asset</u>	<u>Useful Life (Years)</u>
Buildings and structures	05 - 25
Machinery and equipment	03 - 08
Transportation and transmission equipment	06 - 16
Management tools and equipment	03 - 05

8. Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization.

The cost of intangible fixed assets includes all expenses incurred by the Company to acquire the assets up to the point they are ready for use. Post-acquisition costs related to intangible fixed assets are recorded as production or business expenses in the period unless these costs are associated with a specific intangible fixed asset and increase the economic benefits derived from it.

When intangible fixed assets are sold or liquidated, their cost and accumulated amortization are derecognized, and any resulting gain or loss is recorded as income or expense for the year.

Types of Intangible Fixed Assets:

Land Use Rights

Land use rights include all actual expenses incurred by the Company directly related to the use of the land, such as payments for acquiring land use rights, compensation costs, land clearance costs, leveling costs, and registration fees. These land use rights are amortized using the straight-line method based on the land lease term.

Computer Software Programs

Costs related to computer software programs that are not integral components of related hardware are capitalized. The cost of computer software includes all expenses incurred by the Company up to the point the software is ready for use. Computer software is amortized using the straight-line method over a period not exceeding 5 years.

9. Work-in-Progress Construction Costs

Work-in-progress construction costs reflect direct expenses (including related borrowing costs in accordance with the Company's accounting policies) incurred for assets under construction, machinery and equipment being installed for production, leasing, or management purposes, as well as costs related to ongoing repairs of fixed assets. These assets are recorded at cost and are not depreciated.

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10. Payables and Accrued Expenses

Payables and accrued expenses are recognized for amounts to be paid in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates of the amounts to be paid.

Payables are classified as trade payables, accrued expenses, and other payables according to the following principles:

- **Trade Payables:** Represent amounts payable of a commercial nature arising from transactions involving the purchase of goods, services, or assets, with suppliers that are independent of the Company.
- **Accrued Expenses:** Reflect amounts payable for goods or services already received from suppliers or delivered to customers but not yet paid due to the absence of invoices or incomplete accounting documentation. They also include amounts payable to employees for leave wages and provisions for production and business expenses.
- **Other Payables:** Represent non-commercial amounts payable that are unrelated to the purchase, sale, or supply of goods and services.

Payables and accrued expenses are classified as short-term or long-term on the Balance Sheet based on their remaining term as of the financial year-end.

11. Science and Technology Development Fund

The Science and Technology Development Fund is established to create financial resources for the Company's science and technology activities, including:

- Providing financial support to implement science and technology research topics and projects.
- Supporting science and technology development:
 - Equipping facilities and technical infrastructure for science and technology activities.
 - Purchasing machinery and equipment to directly modernize technology for production.
 - Acquiring technology licenses, patents, utility solutions, industrial designs, scientific and technological information, documents, and related products to support science and technology activities.
 - Paying salaries, hiring experts, or contracting with scientific and technological organizations to perform science and technology activities.
 - Expenses for training science and technology personnel in accordance with legal regulations on science and technology.
 - Funding initiatives for technical improvements and production optimization.
 - Costs associated with collaborative research and development in science and technology with Vietnamese organizations and enterprises.

Fixed assets formed from the Science and Technology Development Fund are recorded as a reduction in the fund and are not subject to depreciation.

The appropriation rate for the Science and Technology Development Fund is 10% of taxable income for the year, as stipulated in the fund's charter and operating guidelines, and is recorded as an expense. If annual expenses for science and technology activities exceed the available balance in the fund, the excess amount is either recorded as an expense or allocated to subsequent years.

12. Owners' Equity

Owners' capital

Owners' capital is recognized based on the actual capital contributed by the shareholders.

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Share premium

Share premium is recognized as the difference between the issuance price and the par value of shares during the initial or additional issuance, the difference between the reissue price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to additional share issuance and reissuance of treasury shares are deducted from the share premium.

Owners' other capital

Other owners' capital is formed from allocations of business results, asset revaluation, and the residual value between the fair value of donated, gifted, or sponsored assets and any taxes payable (if applicable) related to these assets.

Treasury shares

When the Company repurchases its own shares, the payment, including any related transaction costs, is recorded as treasury shares and reflected as a deduction from equity. Upon reissuance, the difference between the reissue price and the book value of the treasury shares is recorded under the "Share Premium" account.

13. Profit Distribution

Profit after corporate income tax is distributed to shareholders after allocations to reserves as stipulated in the Company's Charter and legal regulations, and upon approval by the General Meeting of Shareholders (GMS).

When distributing profits to shareholders, consideration is given to non-monetary items included in undistributed post-tax profits that may affect cash flow and dividend payment capacity. These items include gains from asset revaluation used as capital contributions, gains from the revaluation of monetary items, financial instruments, and other non-monetary items.

Dividends are recognized as liabilities once approved by the GMS and upon issuance of a dividend payment resolution by the Board of Directors.

14. Revenue Recognition

Revenue from goods sold

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred the majority of risks and benefits associated with ownership of the goods to the buyer.
- The Company no longer retains control or managerial involvement over the goods as the owner.
- Revenue can be reliably measured. For contracts where the buyer has the right to return goods under specific conditions, revenue is recognized only when those conditions no longer exist, and the buyer no longer has the right to return the goods (except for cases where the buyer exchanges goods for other goods or services).
- The Company has received or will receive the economic benefits from the sales transaction.
- The costs associated with the sales transaction can be identified.

Revenue from services rendered

Revenue from providing services is recognized when all of the following conditions are satisfied:

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- Revenue can be reliably measured. For contracts where the buyer has the right to return services under specific conditions, revenue is recognized only when those conditions no longer exist, and the buyer no longer has the right to return the services provided.
- The Company has received or will receive the economic benefits from the service transaction.
- The portion of services completed by the reporting date can be determined.
- The costs incurred for the transaction and the costs required to complete the service can be identified.

For services rendered over multiple periods, revenue for the period is recognized based on the results of the completed portion of the service as of the financial year-end.

Interest Income

Interest income is recognized on a time-proportion basis using the effective interest rate for each period.

15. Revenue deductions

Revenue deductions include returns of goods and services, which are recognized as a reduction of revenue in the same period the goods or services are sold.

For goods or services sold in previous years, where returns occur in the current year, revenue is adjusted according to the following principles:

- If the return occurs before the issuance of the financial statements, it is recognized as a reduction of revenue in the financial statements for the current year.
- If the return occurs after the issuance of the financial statements, it is recognized as a reduction of revenue in the financial statements for the following year.

16. Borrowing Costs

Borrowing costs include interest expenses and other directly related costs incurred in connection with loans.

Borrowing costs are recognized as expenses when incurred. If borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets under construction that require a substantial period of time (over 12 months) to be ready for their intended use or sale, such costs are capitalized as part of the asset's value. For specific loans used for constructing fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income earned from the temporary investment of borrowed funds is deducted from the asset's original cost.

For general borrowings used partly for the construction or production of qualifying assets, the amount of borrowing costs capitalized is determined using a capitalization rate applied to the weighted average cumulative expenditure incurred for the construction or production of the asset. The capitalization rate is calculated as the weighted average interest rate of outstanding loans during the period, excluding specific loans directly attributable to the acquisition of a particular asset.

17. Expenses

Expenses are reductions in economic benefits, recognized at the time a transaction occurs or when it is reasonably certain that they will occur in the future, regardless of whether payment has been made.

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Expenses and the revenues they generate must be recognized simultaneously according to the matching principle. In cases where the matching principle conflicts with the prudence principle, expenses are recognized based on the nature of the transaction and in compliance with accounting standards to ensure a fair and truthful representation of the transaction.

18. Corporate income tax

The corporate income tax expense includes current corporate income tax and deferred corporate income tax.

Current corporate income tax

Current corporate income tax is calculated based on taxable income. Taxable income differs from accounting profit due to temporary differences between tax and accounting treatments, non-deductible expenses, adjustments for non-taxable income, and carried-forward losses.

Deferred corporate income tax

Deferred corporate income tax is the tax payable or recoverable due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available in the future to utilize these deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each accounting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to utilize the benefits of all or part of the deferred tax assets. Previously unrecognized deferred tax assets are reassessed at the end of each accounting period and recognized if it becomes probable that future taxable profits will be sufficient to recover these deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year when the asset is realized, or the liability is settled, based on the rates enacted or substantively enacted as of the end of the accounting period. Deferred tax is recognized in the income statement, except for cases where it relates to items directly recorded in equity, in which case it is recorded directly in equity.

Deferred tax assets and liabilities are offset when:

- The Company has a legal right to offset current tax assets against current tax liabilities; and
- Deferred tax assets and liabilities relate to corporate income tax managed by the same tax authority:
 - For the same taxable entity; or
 - The Company intends to settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously in each future period when significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

19. Related Parties

Parties are considered related if one party has the ability to control or significantly influence the other party's decisions regarding financial and operating policies. Parties are also deemed related if they are subject to common control or significant common influence.

In assessing the relationship between related parties, the substance of the relationship takes precedence over legal form.

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20. Segment Reporting

A business segment is a distinguishable component engaged in the production or provision of products or services, subject to risks and economic benefits different from those of other business segments.

A geographical segment is a distinguishable component engaged in the production or provision of products or services within a specific economic environment and is subject to risks and economic benefits different from those of segments operating in other economic environments.

Segment information is prepared and presented in accordance with the accounting policies applied for the preparation and presentation of the Company's financial statements

21. Financial Instruments

Financial Assets

The classification of financial assets depends on their nature and purpose, determined at the time of initial recognition. The Company's financial assets include cash and cash equivalents, trade receivables, and other receivables.

At the time of initial recognition, financial assets are recorded at cost, including transaction costs directly related to those financial assets.

Financial Liabilities

The classification of financial liabilities depends on their nature and purpose, determined at the time of initial recognition. The Company's financial liabilities include trade payables, loans, and borrowings, as well as other payables.

At the time of initial recognition, financial liabilities are recorded at cost, net of transaction costs directly related to those financial liabilities.

Equity Instruments

Equity instruments represent contracts that provide evidence of residual interest in the Company's assets after deducting all liabilities.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and presented on a net basis in the Balance Sheet only when the Company:

- Has a legal right to offset the recognized amounts; and
- Intends to settle on a net basis or realize the assets and settle the liabilities simultaneously.

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Notes to the Financial Statement (continued)**V. NOTES TO THE BALANCE SHEET**

Currency: VND

1. Cash and Cash Equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	740.643	1.854.241
Demand deposits	3.523.921.267	2.883.916.640
Cash equivalents	3.094.971.700	3.026.178.100
Total	<u>6.619.633.610</u>	<u>5.911.948.981</u>

2. Financial Investments

The Company's financial investments include held-to-maturity investments and equity contributions to other entities. Details of the Company's financial investments are as follows:

2a. Held-to-Maturity Investments

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Carrying value</u>	<u>Cost</u>	<u>Carrying value</u>
<i>Short-term</i>				
Term deposits	<u>99.878.796.849</u>	<u>99.878.796.849</u>	<u>87.005.506.968</u>	<u>87.005.506.968</u>
Total	<u>99.878.796.849</u>	<u>99.878.796.849</u>	<u>87.005.506.968</u>	<u>87.005.506.968</u>

2b. Equity Contributions to Other Entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
Suoi Dau Water supply and Sewerage construction investment Joint stock Company ⁽ⁱ⁾	<u>24.000.000.000</u>	<u>-</u>	<u>24.000.000.000</u>	<u>-</u>
Total	<u>24.000.000.000</u>	<u>-</u>	<u>24.000.000.000</u>	<u>-</u>

(*) According to Business Registration Certificate No. 4201574467 dated September 27, 2013, issued by the Khanh Hoa Department of Planning and Investment, the Company invested 24,000,000,000 VND in Suoi Dau Water supply and Sewerage construction investment Joint stock Company, equivalent to 30% of its charter capital. As of the end of the fiscal year and the beginning of the year, the Company had fully contributed the committed charter capital.

Fair value

Suoi Dau Water supply and Sewerage construction investment Joint stock Company is currently operating normally, with no significant changes compared to the previous year.

Operations of the Associated Company

Suoi Dau Water supply and Sewerage construction investment Joint stock Company is currently operating normally and has begun generating profits.

Transactions with the Associated Company

Key transactions between the Company and the associated company are as follows:

	Accumulated	
	<u>Ending balance</u>	<u>Beginning balance</u>
Received cash dividends	1.080.000.000	1.080.000.000

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	Ending balance		Beginning balance				
	Value	Provision	Value	Provision			
Accumulated							
Purchased water	56.322.300.000		40.648.980.000				
Project construction expenses payable	-		-				
Received bonuses	233.000.000		147.000.000				
Revenue from material sales	-		9.187.037				
Sum	57.635.300.000		41.885.167.037				
3. Short-term trade receivable							
Ending balance							
Receivables from water supply sales	41.617.327.926		37.259.320.453				
Nha Trang City Public Utility Management Board	1.482.585.642		8.029.152.086				
Other receivables	62.736.000		306.482.000				
Total	43.162.649.568		45.594.954.539				
4. Short-term prepayments to suppliers							
Ending balance							
Dai Dong Tien Phat Co., Ltd.	-		622.728.000				
Tuong Lien Construction Co., Ltd.	-		59.401.000				
Other suppliers	402.513.331		388.755.800				
Total	402.513.331		1.070.884.800				
5. Other short-term receivables							
Ending balance							
Accrued interest income from term deposits	1.408.876.194	-	1.155.013.132	-			
Personal income tax arrears	596.436.500	-	334.265.168	-			
Health insurance	103.219.419	-	97.113.924	-			
Advances	64.000.000	-	-	-			
Short-term deposits, guarantees, and collaterals	20.000.000	-	20.000.000	-			
Total	2.192.532.113	-	1.606.392.224	-			
6. Doubtful debts							
Ending balance							
	Overdue Time	Cost	Recoverable Value		Overdue Time	Cost	Recoverable Value
<i>Short-term prepayments to suppliers</i>							
Catsoft Joint Stock Company	Over 10 years	53.600.000	-	Over 10 years	53.600.000	-	
504 Joint Stock Company	Over 10 years	100.000.000	-	Over 10 years	100.000.000	-	

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	Ending balance			Beginning balance		
	Overdue Time	Cost	Recover- able Value	Overdue Time	Cost	Recover- able Value
Total		153.600.000	-		153.600.000	-

The changes in the short-term receivables provision are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Beginning balance	153.600.000	153.600.000
Additional provision allocation	-	-
Ending balance	153.600.000	153.600.000

7. Inventories

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Materials and supplies	22.529.448.390	-	25.129.962.890	-
Tools stocked in warehouse	59.404.562	-	-	-
Work-in-progress production and business costs	1.030.672.710	-	1.121.007.895	-
Total	23.619.525.662	-	26.250.970.785	-

8. Prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term prepaid expenses		
Allocation of short-term tools and equipment costs	-	218.573.393
Total	-	218.573.393
Long-term prepaid expenses		
Allocation of long-term tools and equipment costs	2.775.039.439	3.578.550.061
Total	2.775.039.439	3.578.550.061

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9. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Transportation and transmission equipment	Management tools and equipment	Total
COST					
Beginning balance	91.348.171.000	312.414.237.566	844.703.400.534	2.648.928.232	1.251.114.737.332
-New purchases in the year	-	542.003.000	546.001.111	77.363.636	1.165.367.747
-Completed construction investments	1.403.662.963	14.371.108.753	131.601.182.964	-	147.375.954.680
-Liquidation and sales	-	8.537.182.670	111.659.770.046	-	120.196.952.716
-Deduction from original cost	-	312.889.000	-	-	312.889.000
Ending balance	92.751.833.963	318.477.277.649	865.190.814.563	2.726.291.868	1.279.146.218.043
<i>In which:</i>					
-Fully depreciated but still in use	42.212.968.315	203.957.653.987	362.294.631.761	1.604.264.596	610.069.518.659
-Awaiting liquidation	-	-	-	-	-
ACCUMULATED DEPRECIATION					
Beginning balance	70.125.884.143	248.541.915.482	604.725.880.319	2.250.660.028	925.644.339.972
-Depreciation during the year	4.629.046.539	18.663.450.476	56.160.790.496	232.294.524	79.685.582.035
-Liquidation and sales	-	8.624.096.280	111.659.770.046	-	120.283.866.326
Ending balance	74.754.930.682	258.581.269.678	549.226.900.769	2.482.954.552	885.046.055.681
NET BOOK VALUE					
Beginning balance	21.222.286.857	63.872.322.084	239.977.520.215	398.268.204	325.470.397.360
Ending balance	17.996.903.281	59.896.007.971	315.963.913.794	243.337.316	394.100.162.362

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10. Intangible fixed assets

	<u>Land use rights</u>	<u>Computer software programs</u>	<u>Total</u>
COST			
Beginning balance	24.636.685.000	4.034.534.400	28.671.219.400
Ending balance	<u>24.636.685.000</u>	<u>4.117.704.400</u>	<u>28.754.389.400</u>
<i>In which:</i>			
-Fully Depreciated but still in use	-	3.935.674.400	3.935.674.400
ACCUMULATED DEPRECIATION			
Beginning balance	10.941.815.770	3.968.627.740	14.910.443.510
Depreciation during the year	887.728.776	42.874.784	930.603.560
Ending balance	<u>11.829.544.546</u>	<u>4.011.502.524</u>	<u>15.841.047.070</u>
NET BOOK VALUE			
Beginning balance	13.694.869.230	65.906.660	13.760.775.890
Ending balance	<u>12.807.140.454</u>	<u>106.201.876</u>	<u>12.913.342.330</u>
<i>In which:</i>			
-Temporarily not in use	-	-	-
-Awaiting liquidation	-	-	-

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11. Work-in-Progress Construction Costs

	Beginning balance	Expenses incurred during the year	Transferred to fixed assets during the year	Other reductions in transfers	Ending balance
Work-in-progress construction					
- DN700-900 Pipeline: Cao Ba Quat - Cau Lung	608.235.454	-	-	137.645.987	470.589.467
- DN400 Pipeline: Vo Nguyen Giap & To Huu Streets (from National Highway 1A to Le Hong Phong Street)	1.459.740.585	56.026.936.524	57.486.677.109	-	-
- Renovation and Replacement of HDPE Pipelines DN300, DN150, DN100: Tran Hung Dao, Pasteur, and Le Loi Streets - Xuong Huan Area	44.208.000	3.359.391.795	3.376.606.852	26.992.943	-
- Investment in Water Supply Pipelines HDPE DN300, DN150, DN100: Dien Bien Phu Street (from 2/4 Street Junction to Pham Van Dong Junction)	2.433.194.230	1.626.492.174	4.004.726.148	54.960.256	-
- Repairing pipeline breakage in Tri Nguyen Island – Vinh Nguyen Ward	-	2.874.287.969	-	-	2.874.287.969
- Updating Water Treatment's method from Clor to Javen at Vo Canh Waterplant	-	1.761.590.467	1.728.511.555	33.078.912	-
- Others Water Supply Pipeline Projects	3.267.722.233	76.562.465.763	70.192.150.685	8.176.512.705	1.461.524.606
Total	7.813.100.502	142.211.164.692	136.788.672.349	8.429.190.803	4.806.402.042

This note is an integral part of and should be read in conjunction with the financial statements.

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

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FINANCIAL STATEMENTS

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Notes to the Financial Statement (continued)**12. Short-term trade payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>		
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	4.902.345.000	3.506.107.500
<i>Payables to other suppliers</i>		
TNG Investment and Construction Joint Stock Company	2.611.974.777	4.489.229.230
Son Thanh Water supply and sewerage investment construction Joint stock Company	1.381.964.850	-
Hawaco Southern Corporation	926.478.000	1.962.792.000
Y Cuong Thinh Trading services Co., LTD	828.575.000	-
Hoang Thinh MTS., JSC	185.598.100	-
Bien Hoa Chemical Plant - The Branch Of South Basic Chemicals Joint Stock Company	155.931.480	-
Dung Loi Co., Ltd.	-	5.859.229.000
Other suppliers	17.118.000	2.434.498.924
Total	<u>11.009.985.207</u>	<u>18.251.856.654</u>

The Company has no overdue trade payables that remain unpaid.

13. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Land Development Center of Khanh Hoa Province	1.261.098.000	1.261.098.000
Ben Du Thuyen Hotel Joint Stock Company	319.767.000	319.767.000
Project Development Management Board of Khanh Hoa Province	-	252.042.000
Project Management Board for Agricultural and Rural Development Construction Projects of Khanh Hoa	-	64 038 000
Other customers	255,945,000	382.146.081
Total	<u>1.836.810.000</u>	<u>2.279.091.081</u>

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Notes to the Financial Statement (continued)

14. Tax and other obligations to the State	Beginning balance		Amount paid during the year	Amount payable during the year	Ending balance	
	Receivables	Payables			Receivables	Payables
VAT on domestic sales	410.876.623	-	22.207.009.217	22.428.582.923	-	632.450.329
VAT on urban drainage fees collected and remitted	534.937.628	-	7.882.287.507	7.917.292.493	-	569.942.614
Corporate income tax	667.991.497	-	8.800.000.000	10.723.977.347	-	2.591.968.844
Personal income tax	885.918.382	-	5.068.329.068	5.688.628.186	-	1.506.217.500
Natural resource tax	146.712.560	-	1.875.193.880	1.874.916.360	-	146.435.040
Land lease fees	-	-	84.015.362	84.015.362	-	-
Business license fees	-	-	4.000.000	4.000.000	-	-
Other fees, charges, and payable amounts:	7.002.331.440	-	91.327.537.287	91.804.432.801	-	7.479.226.954
- Urban drainage fees	6.358.949.390	-	86.559.790.646	86.968.909.795	-	6.768.068.539
- Forest protection service fees	582.284.456	-	2.591.841.148	2.644.192.460	-	634.635.768
- Environment protection fees	61.097.594	-	990.380.296	1.005.805.349	-	76.522.647
- Water resource exploitation fees	-	-	1.185.525.197	1.185.525.197	-	-
Total	9.648.768.130	-	137.248.372.321	140.525.845.472	-	12.926.241.281

This note is an integral part of and should be read in conjunction with the financial statements.

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Notes to the Financial Statement (continued)**14b. Corporate income tax (CIT)**

The Company pays CIT for income from water production activities at a tax rate of 10%, while income from other activities is subject to a tax rate of 20%.

The CIT payable for the year is estimated as follows:

	<u>Accumulated in 2024:</u>
Total Accounting Profit Before Tax	98.327.715.366
Adjustments to Accounting Profit to Determine Taxable Income:	
- Additions	787.490.718
- Deductions	-
Taxable Income	99.115.206.084
Corporate Income Tax Rates	20%
CIT Payable at the Standard Tax Rate	19.823.041.217
CIT Adjustments Due to Rate Differences	9.502.764.935
Adjustments for Previous Years' Tax Payable	-
CIT Accrued in Previous Quarters	7.669.988.071
Total Remaining CIT Payable	<u>2.650.288.211 (*)</u>

The determination of CIT payable is based on current tax regulations. However, these regulations are subject to change over time, and tax rules for various transactions can be interpreted differently. Therefore, the amount of tax presented in the financial statements may change following tax authority audits.

(*) The current CIT reported on the Income Statement (Code 51) includes both the actual CIT payable and CIT arrears for 2020 and 2022, as per the tax audit report issued on **April 8, 2024**, by the Khanh Hoa Tax Department.

CIT payable at the standard tax rate:	7.669.988.071
Arrears for CIT for 2020	58.652.286
Arrears for CIT for 2022	345.048.307
Total CIT Payable for the Period	<u>8.073.688.664</u>

14c. Resource Tax

The company is required to pay resource tax on water used for production, with a tax base of 4,000 VND/m³ and a tax rate of 1%.

14d. Land Lease and Property Tax

Land lease and property taxes are paid according to the notification from the tax authority.

14e. Other Taxes

The company declares and pays taxes in accordance with regulations.

15. Short-Term Payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses related to environmental protection fees for domestic wastewater	364.013.000	-
Interest Expenses Payable	-	18.804.504

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Notes to the Financial Statement (continued)

	<u>Ending balance</u>	<u>Beginning balance</u>
Other Short-Term Payables	4.294.062.983	2.725.428.376
Total	<u>4.658.075.983</u>	<u>2.744.232.880</u>
16. Other Short-Term/ Long-Term Payables		
16a. Other Short-Term Payables		
	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to Related Parties</i>		
Khanh Hoa Provincial People's Committee - Receipt of asset transfer	1.658.934.000	1.658.934.000
<i>Payables to Other Organizations and Individuals</i>		
Union fund	135.285.000	133.426.000.
Social insurance	14.492.446	8.904.219.
Short-term deposits, guarantees, and collateral received	4.518.285.193	4.168.285.193.
Deferred interest	-	888.400.000.
Payables to Drainage Construction Enterprise	431.233.658	262.185.858.
Payables to Khanh Son WaterPlant	5.990.854	-
Other short-term payables	-	-
Total	<u>6.764.221.151</u>	<u>7.120.135.270</u>
16b. Other Long-Term Payables		
	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to Related Parties</i>		
Khanh Hoa Provincial People's Committee - Receipt of asset transfer	9.932.332.308	11.591.266.308
<i>Payables to Other Organizations and Individuals</i>		
Annual dividends payable to shareholders	-	-
Total	<u>9.932.332.308</u>	<u>11.591.266.308</u>
17. Short-Term/ Long-Term Borrowings		
17a. Short-Term Borrowings		
	<u>Ending balance</u>	<u>Beginning balance</u>
Current Portion of Long-Term Borrowings (Note V.18b)		
- Vietnam Development Bank - Khanh Hoa Branch	-	4.513.080.978
- Khanh Hoa Development Investment Fund	26.075.000.000	17.840.225.000
- Khanh Hoa Provincial Budget	6.097.324.932	6.097.324.932
Total	<u>32.172.324.932</u>	<u>28.450.630.910</u>
17b. Long-Term Borrowings		
	<u>Ending balance</u>	<u>Beginning balance</u>
Loan from Khanh Hoa Development Investment Fund ⁽ⁱⁱ⁾	92.768.146.000	54.468.146.000
Long-term loan from Khanh Hoa Provincial	12.194.648.659	18.291.973.591

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Notes to the Financial Statement (continued)

	<u>Ending balance</u>	<u>Beginning balance</u>
Budget ⁽ⁱⁱⁱ⁾		
Total	<u>104.962.794.659</u>	<u>72.760.119.591</u>

The company is capable of repaying its long-term loans.

- (i) Loan from Vietnam Development Bank - Khanh Hoa Branch
- Purpose: Upgrade and renovate the water supply and sanitation system in Nha Trang City.
 - Loan Limit: 135.392.400.978 VND
 - Interest Rate: 5%/year (including a 0,2%/year loan management fee).
 - Loan Term: 25 years from December 1, 2000.
 - Repayment Term: 20 years (2 installments per year) starting December 1, 2004.
 - Collateral: No collateral required.
 - Status: Fully repaid.

The principal was re-evaluated per Decision No. 1416/QĐ-UBND dated 17 June, 2013, and Decision No. 2140/QĐ-UBND dated 29 August, 2013, issued by the Khanh Hoa People's Committee concerning the valuation of Khanh Hoa Water Supply and Sewerage Single-Member Limited Liability Company for equitization purposes.

- (ii) Loans from Khanh Hoa Development Investment Fund
- Credit Agreement No. 06/2016/HĐTD – ĐTPT:
 - Date: 21 November, 2016
 - Loan Limit: 24.370.000.000 VND
 - Loan Term: 105 months from the first disbursement
 - Repayment Term: 96 months starting after the end of the grace period
 - Interest Rate: 8,29%/year
 - Purpose: Investment in a clean water supply system for Tri Nguyen Island
 - Status (as of 31 December, 2024): Fully repaid
 - Credit Agreement No. 09/2017/HĐTD – ĐTPT:
 - Date: 27 December, 2017
 - Loan Limit: 41.150.000.000 VND
 - Loan Term: 126 months from the first disbursement
 - Repayment Term: 120 months starting after the end of the grace period
 - Interest Rate: 8,29%/year
 - Purpose: Renovation and upgrading of the DN700 water pipeline along 23/10 Street, from Vo Canh Water Treatment Plant to Cau Dua, Nha Trang
 - Outstanding Principal Balance (as of 31 December, 2024): 11.259.000.000 VND
 - Credit Agreement No. 17/2020/HĐTD – ĐTPT:
 - Date: 9 December, 2020
 - Loan Limit: 43.290.000.000 VND
 - Loan Term: 136 months from the first disbursement
 - Repayment Term: 132 months starting after the end of the grace period
 - Interest Rate: 8,29%/year
 - Purpose: Investment in the project "DN700 Water Pipeline along 23/10 Street (from Ma Vong to Cau Dua)"

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Notes to the Financial Statement (continued)

- Outstanding Principal Balance (as of 31 December, 2024): 14.238.000.000 VND

- Credit Agreement No. 03/2019/HĐTD – ĐTPT:
 - Date: 22 May, 2019
 - Loan Limit: 11.700.000.000 VND
 - Loan Term: 141 months from the first disbursement
 - Repayment Term: 139 months starting after the end of the grace period
 - Interest Rate: 8,29%/year
 - Purpose: Renovation of the To Hap Water Treatment Plant
 - Outstanding Principal Balance (as of 31 December, 2024): 3.495.000.000 VND.

- Credit Agreement No. 12/2022/HĐTD – ĐTPT
 - Date: 6 July, 2022
 - Loan Limit: 3.787.000.000 VND
 - Loan Term: 74 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing the old DN500 and DN400 pipelines cross Ha Ra Bridge (km6+900 National Route 1C)
 - Outstanding Principal Balance (as of 31 December, 2024): 1.413.000.000 VND

- Credit Agreement No. 01/2023/HĐTD-ĐTPT
 - Date: 7 April, 2023
 - Loan Limit: 6.740.000.000 VND
 - Maximum Loan Term: 87 months from the first disbursement
 - Repayment Term: 84 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in renovating the remaining four filters in treatment cluster A (part of the Phase 2 of Vo Canh Water Treatment Plant renovation project)
 - Outstanding Principal Balance (as of 31 December, 2024): 4.409.000.000 VND

- Credit Agreement No. 02/2023/HĐTD – ĐTPT
 - Date: 27 June, 2023
 - Loan Limit: 4.655.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing the old PVC pipelines with HDPE DN150, DN100 water pipelines along Le Hong Phong Street (from Ma Vong to Phuoc Long)
 - Outstanding Principal Balance (as of 31 December, 2024): 2.967.000.000 VND

- Credit Agreement No. 03/2023/HĐTD – ĐTPT
 - Date: 27 June, 2023
 - Loan Limit: 3.583.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year

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Notes to the Financial Statement (continued)

- Purpose: Investment in replacing the old PVC DN100, DN50 pipelines with HDPE DN100, DN50 water pipelines in the Hon Ro 1 Residential Area (from the Binh Tan Bridge intersection to Hon Ro Market)
- Outstanding Principal Balance (as of 31 December, 2024): 2.298.000.000 VND

- Credit Agreement No. 04/2023/HĐTD – ĐTPT
 - Date: 27 June, 2023
 - Loan Limit: 2.236.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing the old PVC DN150, DN100, DN50 pipelines with HDPE DN200, DN100 water pipelines along Da Tuong Street (from Truong Sa Street intersection to Tran Phu Street intersection)
 - Outstanding Principal Balance (as of 31 December, 2024): 1.665.000.000 VND

- Credit Agreement No. 05/2023/HĐTD – ĐTPT
 - Date: 27 June, 2023
 - Loan Limit: 6.320.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing the old PVC DN200, DN150, DN100, DN50 pipelines with HDPE DN300, DN150, DN100, DN50 water pipelines along 2/4 Street (from Nguyen Xien to Tran Quy Cap)
 - Outstanding Principal Balance (as of 31 December, 2024): 4.127.000.000 VND

- Credit Agreement No. 08/2023/HĐTD – ĐTPT
 - Date: 21 September, 2023
 - Loan Limit: 4.390.000.000 VND
 - Loan Term: 85 months from the first disbursement
 - Repayment Term: 84 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in HDPE DN300, DN50 water pipelines along Nguyen Luong Bang Street (from Vinh Phuong Bridge to the intersection with National Route 1)
 - Outstanding Principal Balance (as of 31 December, 2024): 2.767.000.000 VND

- Credit Agreement No. 19/2023/HĐTD – ĐTPT
 - Date: 20 November, 2023
 - Loan Limit: 3.586.000.000 VND
 - Loan Term: 67 months from the first disbursement
 - Repayment Term: 66 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing the old cast iron DN350 and PVC DN50 pipelines with DN300 and DN100 water pipelines along 23/10 Street (Dien An - Dien Khanh, right-hand side of the route)
 - Outstanding Principal Balance (as of 31 December, 2024): 3.871.000.000 VND

- Credit Agreement No. 21/2023/HĐTD – ĐTPT

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Notes to the Financial Statement (continued)

- Date: 20 November, 2023
- Loan Limit: 5.130.000.000 VND
- Loan Term: 85 months from the first disbursement
- Repayment Term: 84 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in replacing the old PVC DN300 and DN100 pipelines with DN300 and DN100 water pipelines, along National Route 1 (from Dac Loc Industrial Zone to Vinh Phuong Intersection)
- Outstanding Principal Balance (as of 31 December, 2024): 3.159.146.000 VND

- Credit Agreement No. 01/2024/HĐTD – ĐTPT
 - Date: 24 January, 2024
 - Loan Limit: 4.430.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC DN300, DN150, DN100 pipelines with DN300, DN150, DN100 water pipelines, along Dien Bien Phu Street (from 2/4 Street intersection to the Pham Van Dong Street intersection)
 - Outstanding Principal Balance (as of 31 December, 2024): 2.751.000.000 VND

- Credit Agreement No. 02/2024/HĐTD – ĐTPT
 - Date: 21 March, 2024
 - Loan Limit: 49.000.000.000 VND
 - Loan Term: 107 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in constructing the DN400 water pipeline along Vo Nguyen Giap Street and To Huu Street (from the intersection with National Route 1 Bypass to Le Hong Phong Street)
 - Outstanding Principal Balance (as of 31 December, 2024): 42.864.000.000 VND

- Credit Agreement No. 20/2023/HĐTD – ĐTPT
 - Date: 20 November, 2023
 - Loan Limit: 3.330.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 102 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC DN300, DN150, DN100 pipelines with DN300, DN150, DN100 water pipelines along Tran Hung Dao Street, Pasteur Street, and Le Loi Street - Loc Tho and Xuong Huan Wards, Nha Trang City (from Le Thanh Ton Street to Ngo Quyen Street)
 - Outstanding Principal Balance (as of 31 December, 2024): 2.615.000.000 VND

- Credit Agreement No. 04/2024/HĐTD – ĐTPT
 - Date: 26 June, 2024
 - Loan Limit: 3.535.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period

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Notes to the Financial Statement (continued)

- Interest Rate: 7,9%/year
- Purpose: Investment in replacing old PVC DN300, DN100 pipelines with DN300, DN100 water pipelines along Hung Vuong Street, Biet Thu Street (from Le Thanh Ton Street to Biet Thu Street to Tran Phu Street)
- Outstanding Principal Balance (as of 31 December, 2024): 2.732.000.000 VND

- Credit Agreement No. 06/2024/HĐTD – ĐTPT
 - Date: 26 June, 2024
 - Contract Addendum No.1 dated 30 September, 2024
 - Loan Limit: 1.477.000.000 VND
 - Loan Term: 54 months from the first disbursement
 - Repayment Term: 53 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC pipelines with DN150, DN100 water pipelines along Hoang Dieu Street (from Tran Phu Street to N7 Nguyen Tri Phuong Intersection)
 - Outstanding Principal Balance (as of 31 December, 2024): 1.393.000.000 VND

- Credit Agreement No. 05/2024/HĐTD – ĐTPT
 - Date: 26 June, 2024
 - Contract Addendum No.1 dated 31 October, 2024
 - Loan Limit: 3.710.000.000 VND
 - Loan Term: 74 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC DN200, 150, 100 pipelines with DN300, 200, 100 water pipelines along Pham Van Dong Street (from outside of Thien Phuoc Restaurant to Hon Mot Bridge)
 - Outstanding Principal Balance (as of 31 December, 2024): 3.645.000.000 VND

- Credit Agreement No. 20/2024/HĐTD – ĐTPT
 - Date: 06 September, 2024
 - Contract Addendum No.1 dated 31 October, 2024
 - Loan Limit: 3.340.000.000 VND
 - Loan Term: 53 months from the first disbursement
 - Repayment Term: 52 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC pipelines with DN300, 150, 100 water pipelines along National Route 1C (along Thong Nhat Street, 23/10 Street, from Cay Xang to Cho Lon Bridge)
 - Outstanding Principal Balance (as of 31 December, 2024): 3.210.000.000 VND

- Credit Agreement No. 22/2024/HĐTD – ĐTPT
 - Date: 30 October, 2024
 - Loan Limit: 3.112.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year

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Notes to the Financial Statement (continued)

- Purpose: Investment in replacing old PVC DN200, 100, 50 pipelines with HDPE DN200, 100, 50 water pipelines in the Dong Muong Duong De area (from Ly Thai To Street to Pham Van Dong Street)
- Outstanding Principal Balance (as of 31 December, 2024): 2.544.000.000 VND
- Credit Agreement No. 23/2024/HĐTD – ĐTPT
 - Date: 30 October, 2024
 - Loan Limit: 3.013.000.000 VND
 - Loan Term: 73 months from the first disbursement
 - Repayment Term: 72 months starting after the end of the grace period
 - Interest Rate: 7,9%/year
 - Purpose: Investment in replacing old PVC pipelines with HDPE DN300, 200, 100, 50 water pipelines in the Tay Muong residential area (from Pham Van Dong Street to Trieu Quang Phuc Street and from Tran Khat Chan Street to Ly Thai To Street)

Outstanding Principal Balance (as of 31 December, 2024): 2.421.000.000 VND

17c. Overdue Borrowings and Finance Lease Liabilities

The company has no overdue loans that have not been paid.

18. Bonus and Welfare Funds

	<u>Beginning balance</u>	<u>Increase due to allocation from profits</u>	<u>Awards received</u>	<u>Fund disbursement during the year</u>	<u>Ending balance</u>
Bonus fund	4.731.902.000	5.000.000.000	5.400.000	4.824.073.000	4.913.229.000
Welfare fund	2.030.399.682	2.300.000.000	176.505.000	2.761.162.808	1.745.741.874
Reward fund for Management and Executive	3.000	324.000.000	-	324.000.000	3.000
Total	<u>6.762.304.682</u>	<u>7.624.000.000</u>	<u>181.905.000</u>	<u>7.909.235.808</u>	<u>6.658.973.874</u>

19. Science and Technology Development Fund

	<u>Science and Technology Development Fund</u>	<u>The science and technology development fund has been used to form fixed assets</u>	<u>Total</u>
Beginning balance	5.470.785.000	237.288.482	5.708.073.482
Provision for the year	-	3.331.398.923	3.331.398.923
Investment in fix assets	(3.331.398.923)	-	(3.331.398.923)
Depreciation of fixed assets	-	(303.061.074)	(303.061.074)
Ending balance	<u>2.139.386.077</u>	<u>3.265.626.331</u>	<u>5.405.012.408</u>

20. Owners' Equity**20a. Details of Owners' Capital**

	<u>Ending balance</u>	<u>Beginning balance</u>
Khanh Hoa Provincial People's Committee	145.860.000.000	145.860.000.000
REE Water	125.505.600.000	125.505.600.000
Other shareholders	14.634.360.000	14.634.360.000
Total	<u>285.999.960.000</u>	<u>285.999.960.000</u>

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Based on Resolution 13/NQ-HĐ.ĐCĐ of the 2022 Annual General Meeting of Shareholders on April 25, 2022, with the approval of the State Securities Commission of Vietnam (Document No. 5945/UBCK-QLCB dated September 6, 2022), the Company increased its charter capital from 260,000,000,000 VND to 285,999,960,000 VND.

20b. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered for issuance	28.599.996	28.599.996
Number of shares sold to the public	28.599.996	28.599.996
Number of shares repurchased	-	-
Number of shares outstanding	28.599.996	28.599.996

All shares are common shares. The par value of outstanding shares is 10,000 VND.

20c. Profit Distribution

During the year, the Company distributed the 2023 profit in accordance with the Resolution of the 2024 Annual General Meeting of Shareholders, No. 02/NQ-ĐHĐCĐ, dated April 24, 2024, as follows:

	<u>Amount (VND)</u>
• Development investment fund	: 18.434.906.443
• Bonus fund	: 5.000.000.000
• Welfare fund	: 2.300.000.000
• Reward fund for the Board of Directors, Board of Supervisors, and Board of Management	: 324.000.000
• Dividends	: 35.406.795.048

VI. ADDITIONAL NOTES TO THE INCOME STATEMENT

21. Gross revenue from sale of goods and rendering of services

21a. Gross revenue

	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Sale of clean water production	99.782.844.301	88.004.008.308
Sale of construction activities	6.613.358.953	12.258.312.546
Sale of survey and design services	53.140.149	50.201.076
Sale of environmental protection fees	25.262.375	19.476.767
Other sales (e.g., material sales, etc.)	10.185.186	-
Total	<u>106.484.790.964</u>	<u>100.331.998.697</u>

21b. Gross revenue from sale of goods and rendering of services rendered with related parties

The Company has not incurred any sales or service provision transactions with related parties.

22. Revenue deductions

	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Sales refunded from construction activities	6.293.291	-
Sales refunded from survey and design services	174.363	-
Total	<u>6.467.654</u>	<u>-</u>

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23. Cost of sales	Quarter IV/2024	Quarter IV/2023
Cost of clean water production and supply	74.984.475.296	72.332.483.959
Cost of construction activities	5.478.921.256	11.415.619.483
Cost of survey and design services	-	-
Cost of environmental protection fees	25.262.300	19.479.488
Other costs (e.g., material sales, etc.)	-	-
Total	80.488.658.852	83.767.582.930
24. Financial income	Quarter IV/2024	Quarter IV/2023
Interest income	2.130.406.777	2.216.455.452
Received cash Dividend from Investments	1.080.000.000	-
Total	3.210.406.777	2.216.455.452
25. Financial expenses	Quarter IV/2024	Quarter IV/2023
Interest expenses	702.119.007	369.683.694
Accrued interest income from projects funded by The State BudgetS	-	-
Total	702.119.007	369.683.694
26. Selling expenses	Quarter IV/2024	Quarter IV/2023
Cost of materials and packaging	150.000.000	150.000.000
Total	150.000.000	150.000.000
27. General and administration expenses	Quarter IV/2024	Quarter IV/2023
Employee expenses	1.598.515.949	1.471.123.280
Office supplies expenses	303.924.516	4.255.000.000
Depreciation of fixed assets	45.431.763	127.153.606
Taxes and fees	-	36.684.785
Outsourced service expenses	648.698.825	308.151.546
Other expenses	1.190.263.443	992.105.964
Total	3.786.834.496	7.190.219.181
28. Other incomes	Quarter IV/2024	Quarter IV/2023
Income from drainage and environmental protection fees	1.102.433.157	1.022.474.544
Income from asset liquidation and inventory sales	146.339.613	-
Other Income	171.502.808	28.532.938
Total	1.420.275.578	1.051.007.482

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Notes to the Financial Statement (continued)**29. Other expenses**

	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Assisting expenses for collecting Environmental Protection fee and Urban Drainage fee	1.102.833.330	1.022.214.672
Compensation and penalty expenses	4.536	-
Other expenses	2.310.788	37.051.475
Total	<u>1.105.148.654</u>	<u>1.059.266.147</u>

30. Production cost by nature

	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Materials and consumables expenses	37,546,633,072	32.444.083.217
Labor costs	16,696,290,095	27.438.771.766
Depreciation of fixed assets	21,805,453,311	19.341.710.681
Outsourced service expenses	2,684,858,534	5.656.696.722
Other expenses	5,178,459,614	5.458.779.167
Total	<u>83,911,694,626</u>	<u>90.340.041.553</u>

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Notes to the Financial Statement (continued)

VII. OTHER INFORMATIONS

1. Related party transactions and balances

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

1a. Transactions and Balances with Key Management Personnel and Individuals Related to Key Management Personnel

Key management personnel include members of the Board of Directors and members of the Board of Management (Board of General Directors). Individuals related to key management personnel are immediate family members of key management personnel.

Transactions with Key Management Personnel and Individuals Related to Key Management Personnel

The Company has not incurred any sales, service provision, or other transactions with key management personnel or individuals related to key management personnel.

Liabilities with key management personnel and individuals related to key management personnel.

The Company has no liabilities with key management personnel or individuals related to key management personnel.

1b. Other related party transactions and balances

Other related parties to the Company include:

<u>Related party</u>	<u>Relationship</u>
Khanh Hoa Provincial People's Committee	Shareholder owning 43,88% of the charter capital.
REE Water	Shareholder owning 43,88% of the charter capital.
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	Associated companies

Other related party transactions

In addition to transactions with associated companies presented in Note V.2b, the Company also engaged in other transactions with other related parties as follows:

	<u>Accumulated</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Khanh Hoa Provincial People's Committee</i>		
Dividends payable	18.057.468.000	15.315.300.000
Asset transfer received	-	-
The Company made payments related to the receipt of transferred assets.	-	436.000.000
<i>REE Water</i>		
Dividends payable	15.537.593.280	13.178.088.000
Remuneration and bonus expenses for the Board of Supervisors and the Board of Directors.	284.588.000	191.014.000

Liabilities with other related parties

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Notes to the Financial Statement (continued)

Liabilities with other related parties are presented in Notes V.12 and V.16a,b.

Receivables from other related parties are unsecured and will be settled in cash. No provision for doubtful debts has been made for receivables from other related parties.

2. Segment Information

Segment information is presented by business sector and geographical area. The primary segment report is based on business sectors, reflecting the Company's business activities.

2a. Business Sector Information

The primary segment report is based on business sectors for the Company's operations. During the year, the Company's business activities primarily focused on the following sectors: clean water production, construction activities, survey and design services, and material sales. The segment income statement reflects the results of these business sectors for the year as follows:

	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Clean water production activities		
Sale of clean water production	99.782.844.301	88.004.008.308
Sale of environmental protection fees	25.262.375	19.476.767
Cost of clean water production and supply	74.984.475.296	72.332.483.959
Cost of environmental protection fees	25.262.300	19.479.488
Gross profit	<u>24.798.369.080</u>	<u>15.671.521.628</u>
	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Construction activities		
Revenue	6.613.358.953	12.258.312.546
Sales discounts	6.293.291	-
Cost	5.478.921.256	11.415.619.483
Gross profit	<u>1.128.144.406</u>	<u>842.693.063</u>
	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Survey and design services		
Revenue	53.140.149	50.201.076
Sales discounts	174.363	-
Cost	-	-
Gross profit	<u>52.965.786</u>	<u>50.201.076</u>
	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Other activities (material sales ...)		
Revenue	10.185.186	-
Cost	-	-
Gross profit	<u>10.185.186</u>	<u>-</u>
	<u>Quarter IV/2024</u>	<u>Quarter IV/2023</u>
Total Gross profit	<u>25.989.664.458</u>	<u>16.564.415.767</u>

The Company does not prepare segment reports for the indicators on the Balance Sheet due to insufficient information for segmentation.

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Notes to the Financial Statement (continued)

2b. Geographical area Information

All of the Company's activities are conducted within the territory of Vietnam.



Tran Thi Thu Ha
General Accountant



Nguyen Van Quan
Chief Accountant



Nha Trang, 15 January, 2025

Nguyen Van Đam
General Director

