

**NGHE AN WATER SUPPLY JOINT STOCK COMPANY**

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**FINANCIAL STATEMENT**  
**FOURTH QUARTER OF 2024**

Address: No. 32 Phan Dang Luu Street – Vinh city – Nghe An province

Phone: 02388 668 118

Nghe An, January, 2025

(Issued under Circular No. 200/2014/TT-BTC on  
December 22, 2014 of the Ministry of Finance)**ACCOUNTING BALANCE SHEET**

As at December 31, 2024

ASSET	Code	Note	End of the period	Begin of the year
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>237.729.121.300</b>	<b>271.178.093.612</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>VI.1</b>	<b>111.185.036.330</b>	<b>55.725.234.985</b>
1. Cash	111		94.994.417.668	39.683.675.653
2. Cash equivalents	112		16.190.618.662	16.041.559.332
<b>II. Short-term financial investment</b>	<b>120</b>		<b>25.915.925.187</b>	<b>75.290.061.450</b>
1. Trading securities	121			
2. Allowances for decline in value of trading securities (*)	122			
3. Held-to-maturity investments	123		25.915.925.187	75.290.061.450
<b>III. Short-term receivables</b>	<b>130</b>		<b>23.372.824.384</b>	<b>27.397.097.446</b>
1. Short-term trade receivables from customers	131	VI.2	19.893.708.293	20.382.701.183
2. Short-term repayments to suppliers	132		7.062.512.810	8.490.278.622
3. Short-term intra-company receivables	133			
4. Receivable under schedule of construction contract	134			
5. Short-term loan receivables	135			
6. Other short-term receivables	136	VI.3	15.223.842.185	15.955.130.415
7. Provision for short-term doubtful debts (*)	137		(18.807.238.904)	(17.431.012.774)
8. Shortage of assets awaiting resolution	139			
<b>IV. Inventories</b>	<b>140</b>	<b>VI.4</b>	<b>72.774.871.710</b>	<b>99.099.652.189</b>
1. Inventories	141		72.774.871.710	99.099.652.189
2. Provision for devaluation of inventories (*)	149			
<b>V. Other current assets</b>	<b>150</b>		<b>4.480.463.689</b>	<b>13.666.047.542</b>
1. Short-term prepaid expenses	151			
2. Deductible VAT	152		4.477.066.311	13.224.895.406
3. Taxes and other receivables from the State	153		3.397.378	441.152.136
4. Government bonds purchased for resale	154			
5. Other current assets	155			
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>504.339.331.075</b>	<b>585.956.266.427</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>500.000.000</b>	<b>500.000.000</b>
1. Long-term trade receivables from customers	211			
2. Long-term repayments to suppliers	212			
3. Working capital provided to sub-units	213			
4. Long-term intra-company receivables	214			
5. Long-term loan receivables	215			
6. Other long-term receivables	216		500.000.000	500.000.000
7. Provision for doubtful debts (*)	219			
<b>II. Fixed assets</b>	<b>220</b>		<b>478.295.142.953</b>	<b>537.874.857.672</b>
1. Tangible fix assets	221	VI.6	478.231.174.811	537.786.895.480
- Historical cost	222		1.338.676.591.755	1.287.535.576.735
- Accumulated depreciation (*)	223		(860.445.416.944)	(749.748.681.255)

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ASSET	Code	Note	End of the period	Begin of the year
2. Finance lease fixed assets	224			
- Historical cost	225			
- Accumulated depreciation (*)	226			
3. Intangible assets	227	VI.7	63.968.142	87.962.192
- Historical cost	228		518.800.000	518.800.000
- Accumulated depreciation (*)	229		(454.831.858)	(430.837.808)
<b>III. Investment properties</b>	<b>230</b>			
- Historical cost	231			
- Giá trị hao mòn lũy kế (*)	232			
Accumulated depreciation				
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>VI.5</b>	<b>6.290.598.177</b>	<b>25.894.143.083</b>
1. Long-term work in progress	241			
2. Construction in progress	242		6.290.598.177	25.894.143.083
<b>V. Long-term investments</b>	<b>250</b>		<b>13.406.873.080</b>	<b>13.512.440.826</b>
1. Investments in subsidiaries	251			
2. Investments in joint ventures and associates	252			
3. Investments in equity of other entities	253		13.790.916.000	13.790.916.000
4. Allowances for long-term investments (*)	254		(384.042.920)	(278.475.174)
5. Held to maturity investments	255			
<b>VI. Other long-term assets</b>	<b>260</b>		<b>5.846.716.865</b>	<b>8.174.824.846</b>
1. Long-term prepaid expenses	261	VI.8	5.846.716.865	8.174.824.846
2. Deferred income tax assets	262			
3. Long-term equipment and spare parts for replacement	263			
4. Other long-term assets	268			
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>742.068.452.375</b>	<b>857.134.360.039</b>
<b>CAPITAL</b>	<b>Code</b>	<b>Note</b>	<b>End of the period</b>	<b>Begin of the year</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>360.284.477.176</b>	<b>477.557.949.760</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>234.259.040.540</b>	<b>324.865.369.607</b>
1. Short-term trade payables	311	VI.10	54.642.588.560	58.351.237.755
2. Short-term prepayments from customers	312		4.024.164.323	5.802.999.251
3. Tax and other payables to the State	313	VI.11	957.104.957	415.513.536
4. Payables to employees	314		15.058.300.000	16.158.898.400
5. Short-term accrued expenses	315	VI.12	3.335.881.344	3.257.676.501
6. Short-term intra-company payables	316			
7. Payables under schedule of construction contract	317			
8. Short-term unearned revenues	318			
9. Other short-term payables	319	VI.13	7.406.892.714	105.248.959.392
10. Short-term borrowings and finance lease liabilities	320	VI.9	26.661.588.643	26.666.904.073
11. Provisions for short-term payables	321		119.036.396.298	107.071.396.298
12. Bonus and welfare fund	322		3.136.123.701	1.891.784.401
13. Price stabilization fund	323			
14. Government bonds purchased for resale	324			
<b>II. Long-term liabilities</b>	<b>330</b>		<b>126.025.436.636</b>	<b>152.692.580.153</b>
1. Long-term trade payables	331			
2. Long-term repayments from customers	332			
3. Long-term accrued expenses	333			
4. Intra-company payables for operating capital received	334			
5. Long-term intra-company payables	335			
6. Long-term unearned revenues	336			
7. Other long-term payables	337			
8. Long-term borrowings and finance lease liabilities	338		126.025.436.636	152.692.580.153
9. Convertible bonds	339			
10. Preference shares	340			

CAPITAL	Code	Note	End of the period	Begin of the year
11. Deferred income tax payables	341			
12. Provisions for long-term payables	342			
13. Science and technology development fund	343			
<b>D. OWNER'S EQUITY</b>	<b>400</b>		<b>381.783.975.198</b>	<b>379.576.410.279</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>VI.14</b>	<b>381.783.975.198</b>	<b>379.576.410.279</b>
1. Contributed capital	411		373.859.830.000	373.859.830.000
- Common shares with voting rights	411a		373.859.830.000	373.859.830.000
- Preferred shares	411b			
2. Share Premium	412			
3. Conversion options on convertible bonds	413			
4. Other capital	414			
5. Treasury shares (*)	415			
6. Differences upon asset revaluation	416			
7. Exchange rate differences	417			
8. Development and investment funds	418		4.472.240.979	2.951.381.835
9. Enterprise reorganization assistance fund	419			
10. Other equity funds	420			
11. Retained earnings	421		3.451.904.219	2.765.198.444
- Retained earnings accumulated till the end of the previous year	421a			2.765.198.444
-Retained earnings of the current year	421b		3.451.904.219	
12. Capital expenditure funds	422			
<b>II. Non-business funds and other funds</b>	<b>430</b>			
1. Non-business funds	431			
2. Funds used for fixed asset acquisition	432			
<b>TOTAL EQUITY (440 = 300 + 400)</b>	<b>440</b>		<b>742.068.452.375</b>	<b>857.134.360.039</b>

Nghe An, January 20, 2025

Prepared by



Chief accountant



*Trần Thị Lan Anh*

General director



*Hoàng Văn Hải*

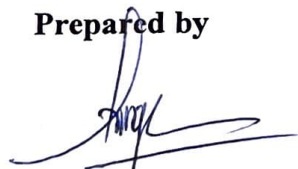
## REPORT ON BUSINESS ACTIVITIES

The fourth quarter of 2024

Unit: VND

Items	Code	The fourth quarter		Accumulated from the beginning of the year to the fourth quarter	
		This year	Last year	This year	Last year
1. Revenue from sales of goods and rendering of services	01	84.563.433.189	76.622.170.027	329.743.487.240	306.120.718.230
2. Revenue deductions	02	592.667	0	592.667	162.191
3. Net revenue from sales of goods and rendering of services	10	84.562.840.522	76.622.170.027	329.742.894.573	306.120.556.039
4. Cost of goods sold	11	61.448.358.585	51.520.341.372	247.167.350.099	234.478.449.205
5. Gross profit from sales of goods and rendering of services (20 = 10 - 11)	20	23.114.481.937	25.101.828.655	82.575.544.474	71.642.106.834
6. Financial income	21	898.430.973	2.483.431.484	1.946.976.795	6.498.382.706
7. Financial expenses	22	2.451.078.323	2.997.322.802	8.401.080.286	11.335.523.988
- In which: Interest expenses	23	2.451.078.323	2.997.322.802	8.401.080.286	11.335.523.988
8. Selling expenses	25	4.218.664.505	6.762.871.854	16.888.286.579	19.113.567.989
9. General and administration expenses	26	16.323.701.300	15.158.463.101	55.084.093.224	47.069.517.963
10. Net profit from operating activities {30 = 20 + (21 - 22) - (25 + 26)}	30	1.019.468.782	2.666.602.382	4.149.061.180	621.879.600
11. Other income	31	157.084.098	(4.585.536.519)	462.251.324	4.023.801.507
12. Other expense	32	72.162.895	201.545.854	292.060.613	381.860.448
13. Other profit (40 = 31 - 32)	40	84.921.203	(4.787.082.373)	170.190.711	3.641.941.059
14. Total net profit before tax (50 = 30 + 40)	50	1.104.389.985	(2.120.479.991)	4.319.251.891	4.263.820.659
15. Current corporate income tax expense	51	220.877.997	(424.095.998)	867.347.672	1.539.101.356
16. Deferred corporate income tax expense	52	0	0	0	0
17. Profit after corporate income tax	60	883.511.988	(1.696.383.993)	3.451.904.219	2.724.719.303
18. Earnings per share	70	0	0	0	0
19. Diluted earnings per share	71	0	0	0	0

Prepared by



Chief accountant



Trần Thị Lan Anh

Nghe An, January 20, 2025

General director




Hoàng Văn Hải


**STATEMENTS OF CAST FLOWS**

The fourth quarter of 2024

Unit: VND

Items	Code	Note	Accumulated from the beginning of the year to the fourth quarter	
			This year	Last year
<b>I. Cash flows from operating activities</b>				
1. Revenues from sales of goods, rendering of services and other revenues	01		372.666.307.248	347.179.565.513
2. Money paid to the suppliers of goods and services	02		(104.631.273.246)	(209.896.769.892)
3. Money paid to workers	03		(77.248.487.559)	(77.168.030.690)
4. Interest paid	04		(8.660.382.548)	(9.794.541.365)
5. Enterprise income tax paid	05			(2.231.997.537)
6. Other revenues from operating activities	06		(87.653.829.974)	(26.360.258.724)
7. Other payments on operating activities	07		(111.860.287.238)	(49.571.904.633)
<b>Net cash flow from operating activities</b>	<b>20</b>		<b>(17.387.953.317)</b>	<b>(27.843.937.328)</b>
<b>II. Cash flows from investing activities</b>				
1. Money used to purchase and construct fixed assets and other long-term assets	21		(2.459.906.694)	(33.955.703.268)
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		(66.230.619)	(63.318.789)
3. Money for lending, buying debt instruments of other entities	23		(50.000.000.000)	(5.000.000.000)
4. Proceeds from loans and resaling of debt instruments of other entities	24		101.424.309.497	45.172.875.128
5. Money spent on investment in other entities	25			
6. Proceeds from capital investment in other entities	26			
7. Interest income, dividends and profits distributed	27		1.247.905.162	2.338.540.458
<b>Net cash flow from investing activities</b>	<b>30</b>		<b>50.146.077.346</b>	<b>8.492.393.529</b>
<b>Cash flows from financial activities</b>				
1. Proceeds from issuing shares and receiving capital contribuons from owners	31			
2. Money to return capital to owners, buy back shares issued by the enterprises	32			
3. Proceeds from borrowing	33			
4. Loan principal repayment	34		(26.672.458.947)	(26.670.433.406)
5. Pricipal repaymentof financial lease	35			
6. Dividends and profits paid to owners	36			
<b>Net cash flow from financial activities</b>	<b>40</b>		<b>(26.672.458.947)</b>	<b>(26.670.433.406)</b>
<b>Net cash flow during the period (50=20+30+40)</b>	<b>50</b>		<b>6.085.665.082</b>	<b>(46.021.977.205)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>131.015.296.435</b>	<b>177.037.273.640</b>
Impact of foreign exchange rate changes on foreign currency conversion	61			
<b>Cash and cash equivalents at the end of the period (70=50+60+61)</b>	<b>70</b>		<b>137.100.961.517</b>	<b>131.015.296.435</b>

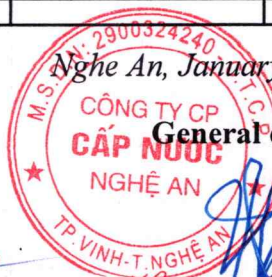
Prepared by



Chief accountant



General director




## FINANCIAL STATEMENT FOOTNOTES

As at December 31, 2024

### I. Characteristics of business operations

#### 1. Form of capital ownership

Nghe An Water Supply Joint Stock Company (hereinafter referred to as "the Company") was converted from a 100% State-owned Limited Liability Company under Decision No. 5333/QĐ-UBND dated on November 12, 2015 of the People's Committee of Nghe An province on approving the equitization plan and converting Nghe An Water Supply One Member Limited Liability Company into a Joint Stock Company

The company was granted a Business Registration Certificate of a joint stock company No.2900324240 issued by the Department of Planning and Investment of Nghe An province, changed for the 7th time on June 7, 2024

The company's Charter Capital according to the Business Registration Certificate is 373.859.830.000 VND

#### 2. Main business fields and production lines:

The Company's main production and business activities include:

- Water exploitation, treatment and supply (Raw water exploitation ; production and supply of clean water for daily life, production and other needs; production and trading of bottled drinking water);
- Specialized design activities (Design consultation, verification of technical design documents - water supply and drainage project estimates);
- Other specialized construction activities (Industrial works, irrigation works, lines and transformer stations);
- Construction of railway and road works;
- Completion of construction works;
- Installation of water supply, drainage, heating and air conditioning systems and water treatment plant technology;
- Management consulting activities (Investment project preparation, bidding consulting and project management of water supply and drainage works);
- Real estate business, land use rights owned by the owner, user or lessee (Investment in real estate business, apartment buildings, apartment and office building management services);
- Architectural activities and related technical consulting (Consulting and supervising construction of water supply and drainage works up to level 3);
- Construction of other civil engineering works (Construction of water supply and drainage works, technical infrastructure);
  - Production of other metal products not elsewhere classified in the water supply and drainage sector;
- Construction of all kinds of houses;
- Electrical system installation;
- Retail sale of hardware, paint, glass and other construction installation equipment in specialized stores (Buying and selling construction materials and specialized water supply and drainage equipment and supplies);
- Installation of other construction systems (Installation of fire prevention and fighting systems; fire hydrants);
- Wholesale of other construction materials and installation equipment specializing in water supply and drainage.

#### 3. Normal production and business cycle

The company has a normal business production cycle of 12 months.

#### 4. Business structure

The company has headquarters and affiliated units as follows:

Company Office

Anti-loss Construction Enterprise

Water Supply Service Enterprise in Vinh City

Water Production Enterprise in Vinh City

Water Supply Station in Anh Son

Water Supply Station in Con Cuong

Water Supply Station in Do Luong

Water Supply Station in Nam Dan

Water Supply Station in Quy Chau

Water Supply Station in Quy Hop

Water Supply Station in Thanh Chuong

Water Supply Station in Tan Ky

Water Supply Station in Ky Son

Water Supply Station in Tuong Duong

### II. Accounting period, currency used in accounting

1. The Company's annual accounting period begins on January 1 and ends on December 31 of each year.
2. Currency used in accounting: Vietnamese Dong..

### III. Applicable Accounting Standards and Regimes

### 1. Applicable accounting regime

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

### 2. Declaration on compliance with Accounting Standards and Accounting Regime

The financial statements are prepared and presented in Vietnamese Dong (VND), using the historical cost principle and in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant current regulations in Vietnam.

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

### IV. Applicable accounting policies

#### 1. Principles of recording cash and cash equivalents.

Cash and cash equivalents include cash on hand, bank deposits, short-term investments or highly liquid investments. Highly liquid investments are those that can be converted into known amounts of cash within 03 months and are subject to insignificant risk of changes in value.

#### 2. Principles of accounting for receivables

Accounts receivable include: customer receivables and other receivables at the reporting date.

(i) Receivables from customers include commercial receivables arising from purchase-sale transactions, such as: Receivables from sales, provision of services, liquidation, transfer of assets (fixed assets, investment real estate, financial investments) between the enterprise and the buyer (an entity independent of the seller, including receivables between the parent company and subsidiaries, joint ventures, and associates). These receivables include receivables from export sales of the entrusting party through the entrusting party;

(ii) Other receivables include non-commercial receivables not related to purchase and sale transactions, such as: Receivables generating financial revenue, such as: receivables from loan interest, deposits, dividends and shared profits; Amounts paid on behalf of third parties with the right to receive back; Amounts that the export trustee must collect on behalf of the trustor; Non-commercial receivables such as asset lending, receivables from fines, compensation, assets in short supply awaiting resolution, etc.

Receivables are monitored in detail by receivable term, receivable entity, original currency and other factors according to the Company's management needs. Receivables are classified as short-term or long-term based on the remaining term.

Receivables are presented at book value minus provisions for doubtful debts. Provision for doubtful debts (if any) is set aside by the Company for overdue receivables stated in economic contracts, contract commitments or debt commitments, which the enterprise has requested many times but has not yet recovered. The determination of the overdue period of the receivable is determined based on the principal repayment period according to the original purchase and sale contract, not taking into account debt extensions between the parties, in which:

Overdue receivables	Provision level
From over 6 months to under 1 year	30% of value
From 1 year to less than 2 years	50% of value
From 2 years to under 3 years	70% of value
From 3 years or more	100% value

Provision for doubtful debts is also made based on the expected loss of recovery. Receivables that are not due for payment but the debtor has gone bankrupt or is in the process of dissolution, missing, absconding and will be refunded when the debt is recovered.

Increases or decreases in the reserve account balance are recorded as business management expenses during the year.

#### 3. Principles of inventory recording:

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition, including: purchase price, non-refundable taxes, transportation, handling, storage costs incurred in the purchase process, normal loss, and other costs directly attributable to the purchase of inventories. The Company applies the perpetual inventory method to record inventories. The Company applies the weighted average method to calculate the cost of inventories.

The Company's provision for inventory impairment (if any) is made when there is reliable evidence of a decline in the net realizable value compared to the original cost of the inventory. Net realizable value is determined by the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution. Increases or decreases in the provision for inventory impairment are recorded in the cost of goods sold during the year.

#### 4. Principles of recording and depreciation of fixed assets, financial lease fixed assets, investment real estate:

##### 4.1. Tangible fixed assets

Tangible assets are recorded as tangible fixed assets if they simultaneously satisfy the following criteria: (i) It is certain that future economic benefits will be obtained from the use of the asset; (ii) The usage period is over 1 year; (iii) The original cost of the asset must be reliably determined and has a value of VND 30,000,000 or more.

Tangible fixed assets are stated at cost less accumulated depreciation.

##### Historical cost

Historical cost of a purchased tangible fixed asset comprises the purchase price and any other costs directly attributable to bringing the asset to working condition for its intended use.

The Historical cost of self-made or self-constructed tangible fixed assets includes construction costs, actual production costs incurred plus installation and testing costs.



Expenditures incurred after the initial recognition of tangible fixed assets are recorded as an increase in the original cost of the asset if it is certain that these costs will increase the future economic benefits from the use of that asset. Expenditures incurred that do not satisfy the above conditions are recorded as production and business expenses in the year.

#### **Depreciation**

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

- Houses and structures	05-30 years
- Machinery and equipment	10-20 years
- Means of transport, transmission	06-10 years
- Equipment, management tools	03-10 years
- Other assets	10-20 years

#### **4.2. Intangible fixed assets**

Any actual expenses that an enterprise has spent that simultaneously satisfy the following criteria without forming tangible fixed assets are considered intangible fixed assets: (i) It is certain to obtain future economic benefits from the use of that asset; (ii) It has a usage period of 1 year or more; (iii) The original cost of the asset must be reliably determined and has a value of VND 30,000,000 or more.

Intangible fixed assets are stated at cost less accumulated depreciation.

#### **Historical cost**

The historical cost of separately acquired intangible fixed assets comprises its purchase price and any directly attributable costs of bringing the asset to its intended use.

Expenses related to intangible fixed assets arising after initial recognition must be recorded as production and business expenses in the period, unless they simultaneously satisfy the following two conditions, then they are included in the original cost of intangible fixed assets: (i) These expenses are capable of making the intangible fixed asset generate more economic benefits in the future than the initially assessed level of operation; (ii) The expenses are assessed with certainty and are associated with a specific intangible fixed asset.

#### **Depreciation**

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

- Computer software	04 years
- Long-term land use rights without depreciation	

#### **5. Principles of accounting for prepaid expenses.**

Prepaid expenses include short-term or long-term prepaid expenses on the balance sheet and are amortized over the period for which the expenses are paid or the economic benefits generated from them.

#### **6. Principles of accounting for liabilities.**

Payables are tracked in detail by payment term, payable entity, original currency and other factors according to the management needs of the enterprise.

The classification of payables as trade payables and other payables is made according to the following principles:

(i) Payables to sellers include commercial payables arising from transactions of purchasing goods, services, assets and sellers (who are independent entities from the buyer, including payables between parent companies and subsidiaries, joint ventures, and associates). These payables include payables when importing through a consignee (in consignment import transactions);

(ii) Other payables include non-commercial payables not related to the purchase, sale, or provision of goods and services: Payables related to financial expenses, such as: payables for interest, dividends and profits, payable financial investment operating expenses; Payables paid by third parties; Amounts received by the trustee from related parties for payment according to regulations in import-export trust transactions; Non-commercial payables such as payables for borrowing assets, payables for fines, compensation, surplus assets awaiting disposal, payables for social insurance, health insurance, unemployment insurance, union fees, etc.

When preparing financial statements, accountants base on the remaining term of payables to classify them as long-term or short-term.

#### **7. Loans and financial lease liabilities.**

Loans and financial lease liabilities are monitored by each lending entity, each debt agreement, each type of debt asset and the repayment period of the loans and financial lease liabilities. Loans with a repayment period of more than 12 months from the date of the Financial Statement are presented as long-term loans and financial lease liabilities.

Amounts due for payment within 12 months from the date of the Financial Statements are presented as short-term loans and finance lease liabilities.

#### **8. Borrowing costs.**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments from borrowings is deducted from the cost of those assets.

All other interest expenses are recorded in the Company's income statement for the year.

#### **9. Costs payable.**

Payable expenses arising from the purchase of goods and services received from the seller but not actually paid due to lack of invoices or insufficient accounting records and documents, are recorded in the production and business expenses of the reporting period.

Payable expenses include amounts payable to employees during the period such as advance provision for interest expenses payable in case of loans with interest paid in arrears, bond interest paid after the bond matures; advance provision for expenses to temporarily calculate the cost of goods and finished real estate products sold.

#### **10. Equity:**

Owner's equity is recorded at the actual capital contributed by the owner.

Retained earnings is the profit from the Company's operations after deducting adjustments due to retrospective application of changes in accounting policies and retrospective adjustment of material errors of previous years.

#### **11. Revenue:**



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Revenue is recognized when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, volume rebates and sales returns.

**- Sales revenue;**

Revenue from sales is recognized when all of the following conditions are met: (i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) The Company no longer retains ownership or control over the goods; (iii) The amount of revenue can be measured reliably; (iv) The Company has or will receive economic benefits from the transaction; and (v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**-Service revenue;**

Revenue from a transaction involving the rendering of services is recognised when the outcome of the transaction can be measured reliably. The outcome of a transaction involving the rendering of services is recognised when all of the following conditions are met: (i) The amount of revenue can be measured reliably; (ii) It is probable that the economic benefits associated with the transaction will flow to the Company; (iii) The stage of completion of the transaction at the balance sheet date can be measured reliably; and (iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**- Financial revenue;**

Revenue arising from interest, royalties, dividends and profits distributed by the Company is recognized when all of the following conditions are satisfied: (i) It is probable that the economic benefits from the transaction will flow to the Company; and (ii) The revenue can be measured reliably.

**- Other income**

Other income includes income outside the production and business activities of the enterprise. Such as: Income from the sale and liquidation of fixed assets; Collection of fines due to customers violating contracts; Collection of compensation from third parties to compensate for lost assets; Collection of bad debts that have been written off; Collection of debts payable with unidentified owners; Income from gifts, gifts in cash, in kind from organizations and individuals given to the enterprise...

**12. Cost**

Costs are amounts that reduce economic benefits, recorded at the time the transaction occurs or when there is a relatively certain possibility that they will arise in the future, regardless of whether money has been spent or not.

The recognition of expenses even when they have not yet reached the payment deadline but are likely to arise is to ensure the principle of prudence and capital preservation. Expenses and the revenue they generate must be recorded simultaneously according to the matching principle. However, in some cases, the matching principle may conflict with the prudence principle in accounting, then accountants base on the nature and Accounting Standards to reflect the transaction honestly and reasonably.

Expenses that are not considered as corporate income tax expenses according to the provisions of the Tax Law but have full invoices and vouchers and have been accounted for correctly according to the Accounting Regime shall not be recorded as a reduction in accounting expenses but only adjusted in the corporate income tax settlement to increase the amount of corporate income tax payable.

**13. Taxes**

**Current corporate income tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including losses carried forward, if any) and it further excludes items that are not taxable or deductible.

The determination of the Company's income tax is based on current tax regulations. However, these regulations are subject to change from time to time and the final determination of corporate income tax depends on the results of the examination by the competent tax authority.

**Other taxes**

Other taxes are applied according to current tax laws in Vietnam.

**VI. Additional information for items presented in the Accounting balance sheet**

	Unit: VND	
	End of the period	Begin of the year
<b>1. Cash</b>		
Cash	229.034.226	363.212.296
Non-term bank deposits	94.765.383.442	39.320.463.357
Bank deposits with terms of less than 3 months	42.106.543.849	91.331.620.782
Money is being transferred		
<b>Total</b>	<b>137.100.961.517</b>	<b>131.015.296.435</b>
<b>2. Customer receivables</b>		
<b>a) Short-term trade receivables from customers</b>	<b>End of the period</b>	<b>Begin of the year</b>
Receivables from water customers	19.893.708.293	20.382.701.183
Other receivables from customers	4.985.069.398	5.427.693.479
b) Long-term trade receivables from customers	14.908.638.895	14.955.007.704
<b>Total</b>	<b>19.893.708.293</b>	<b>20.382.701.183</b>
<b>3. Other receivables</b>		
<b>a) Short-term</b>	<b>End of the period</b>	<b>Begin of the year</b>
Advance receivable from staff	15.223.842.185	15.955.130.415
Other receivables	7.304.673.269	7.201.797.974
b) Long-term	7.919.168.916	8.753.332.441
<b>Total</b>	<b>15.223.842.185</b>	<b>15.955.130.415</b>
<b>4. Inventories</b>		
<b>End of the period</b>	<b>Begin of the year</b>	
Raw materials;	63.695.186.093	91.725.870.455
Tools, instruments;	9.053.470.387	7.347.566.504
Cost of work in progress;	26.215.230	26.215.230
<b>Total</b>	<b>72.774.871.710</b>	<b>99.099.652.189</b>
<b>5. Long-term assets in progress</b>		
<b>End of the period</b>	<b>Begin of the year</b>	
Construction in progress	6.290.598.177	25.894.143.083
<b>Total</b>	<b>6.290.598.177</b>	<b>25.894.143.083</b>

**6. Increase, decrease in tangible fix assets**

Item	Architecture, houses, structures	Machinery and equipment	Means of transport, transmission	Management equipment	Other tangible fix assets	Total
<b>Historical cost of tangible fix assets</b>						
Balance at the beginning of the year	619.694.092.319	110.378.807.451	552.650.032.881	572.975.000	4.239.669.084	1.287.535.576.735
Purchased in the year						
Investment in capital construction	6.747.998.396		44.393.016.624			51.141.015.020
Other increases						
Other reductions						
Balance at the end of the year	626.442.090.715	110.378.807.451	597.043.049.505	572.975.000	4.239.669.084	1.338.676.591.755
<b>Accumulated depreciation</b>						
Balance at the beginning of the year	288.585.707.488	108.219.442.143	348.442.196.328	572.975.000	3.928.360.296	749.748.681.255
Depreciation in the year	50.654.252.584	927.114.512	58.804.059.805		311.308.788	110.696.735.689
Other increases						
Other reductions						
Balance at the end of the year	339.239.960.072	109.146.556.655	407.246.256.133	572.975.000	4.239.669.084	860.445.416.944
<b>Salvage value</b>						
At the beginning of the year	331.108.384.831	2.159.365.308	204.207.836.553		311.308.788	537.786.895.480
At the end of the year	287.202.130.643	1.232.250.796	189.796.793.372			478.231.174.811

**7. Increase, decrease in Intangible assets**

Item	Land use rights	Publishing rights	Copyright, patent	Computer software	Other intangible assets	Total
<b>Historical cost of Fixed assets</b>						
Balance at the beginning of the year				518.800.000		518.800.000
Purchased in the year						
Other reductions						
Balance at the end of the year				518.800.000		518.800.000
<b>Accumulated depreciation</b>						
Balance at the beginning of the year				430.837.808		430.837.808
Depreciation in the year				23.994.050		23.994.050
Other increases						
Other reductions						
Balance at the end of the year				454.831.858		454.831.858
<b>Salvage value</b>						
At the beginning of the year				87.962.192		87.962.192
At the end of the year				63.968.142		63.968.142

**8. Prepaid expenses**

	End of the period	Begin of the year
a) Short-term		
b) Long-term	5.846.716.865	8.174.824.846
Long-term prepaid expenses	5.846.716.865	8.174.824.846
<b>Total</b>	<b>5.846.716.865</b>	<b>8.174.824.846</b>

**9. Borrowings and finance lease liabilities**

	End of the period	Begin of the year
a. Short-term	26.661.588.643	26.666.904.073
b, Long-term	126.025.436.636	152.692.580.153
<b>Total</b>	<b>152.687.025.279</b>	<b>179.359.484.226</b>

**10. Trade payables**

	End of the period	Begin of the year
a) Short-term trade payables	54.642.588.560	58.351.237.755
b) Long-term trade payables		
<b>Total</b>	<b>54.642.588.560</b>	<b>58.351.237.755</b>

### 11. Tax and other payables to the State

	Begin of the year	Amount payable during the period	Amount actually paid during the period	End of the period
VAT payable	(13.224.895.406)	8.747.829.095		(4.477.066.311)
Corporate income tax	(441.152.136)	867.347.672		426.195.536
Personal income tax	105.300.230	285.052.275	190.652.505	199.700.000
Resource tax	9.976.730	128.460.449	130.739.560	7.697.619
Housing tax, land rent		167.115.892	170.513.270	(3.397.378)
Other tax		67.259.697	67.259.697	
Taxes, fees and charges	300.236.576	4.090.874.681	4.067.599.455	323.511.802
<b>Total</b>	<b>(13.250.534.006)</b>	<b>14.353.939.761</b>	<b>4.626.764.487</b>	<b>(3.523.358.732)</b>

### 12. Accrued expenses

	End of the period	Begin of the year
a) Short-term	3.335.881.344	3.257.676.501
ADB project Interest Expense	1.130.037.647	1.464.399.347
Interest expense for Vinh Suburban Project	228.812.312	259.320.620
Cost of Forest Environment Services	426.227.568	393.514.732
Other accrued expenses	1.550.803.817	1.140.441.802
b) Long-term		
<b>Total</b>	<b>3.335.881.344</b>	<b>3.257.676.501</b>

### 13. Other payables

	End of the period	Begin of the year
a) Short-term	7.406.892.714	105.248.959.392
Trade Union fees	211.384.042	210.867.142
Social insurance	18.523.415	51.891.398
Payable equitization	14.300.000	14.300.000
Short-term collateral & deposit	816.410.447	603.759.635
Other receivables	66.536.000	78.041.000
Other Payables	6.279.738.810	104.290.100.217
b) Long-term		
<b>Total</b>	<b>7.406.892.714</b>	<b>105.248.959.392</b>

### 14. Owner's equity

#### a) Equity fluctuation comparison table

Items	Items of Owner's equity			Total
	Owner's equity	Phân phối Retained earnings	Development and investment funds	
Balance at the beginning of the previous year	373.859.830.000	4.834.947.602	1.193.463.428	379.888.241.029
Profit increase in the previous year				
Profit in the previous year		2.765.198.444		2.765.198.444
Fund allocation		(4.834.947.602)	1.757.918.408	(3.077.029.194)
Other decrease				
Balance at the beginning of this year	373.859.830.000	2.765.198.444	2.951.381.835	379.576.410.279
Profit increase in this year				
Profit in this year		3.451.904.219		3.451.904.219
Fund allocation		(2.765.198.444)	1.520.859.144	(1.244.339.300)
Loss this year				
Other decrease				
Balance at the end of this year	373.859.830.000	3.451.904.219	4.472.240.979	381.783.975.198

#### b) Details of Owner's equity

	End of the period	Proportion	Begin of the year	Proportion
People's Committee of Nghe An	142.278.360.000	38,05	142.278.360.000	38,05
SONG CON SUGAR JSC	103.419.400.000	27,66	103.419.400.000	27,66
Other shareholders	128.162.070.000	34,29	128.162.070.000	34,29

<b>Total</b>	<b>373.859.830.000</b>	<b>100,00</b>	<b>373.859.830.000</b>	<b>100,00</b>
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<b>c) Stocks</b>		<b>End of the period</b>	<b>Begin of the year</b>
Number of shares registered for issuance		37.385.983	37.385.983
Number of shares sold to the public		37.385.983	37.385.983
Common Stock		37.385.983	37.385.983
Number of shares outstanding		37.385.983	37.385.983
Common Stock		37.385.983	37.385.983
Outstanding Share Value: 10.000 Outstanding Share Value/share			

**VII. Additional information for items presented in the Income Statement**

<b>1. Total revenue from sales of goods and rendering of services</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Revenue from clean water business	80.249.815.650	74.129.508.171
Construction revenue	3.928.714.153	2.214.692.261
Other revenue	384.903.386	277.969.595
<b>Total</b>	<b>84.563.433.189</b>	<b>76.622.170.027</b>

<b>2. Revenue deductions</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Sales returns	592.667	0
<b>Total</b>	<b>592.667</b>	<b>0</b>

<b>3. Cost of goods sold</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Cost of clean water business	60.728.659.083	50.159.240.060
Cost of construction activities	719.699.502	1.361.101.312
<b>Total</b>	<b>61.448.358.585</b>	<b>51.520.341.372</b>

<b>4. Financial income</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Interest on deposits and loans	898.430.973	2.483.431.484
Other financial revenue		
<b>Total</b>	<b>898.430.973</b>	<b>2.483.431.484</b>

<b>5. Financial expenses</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Interest expenses	2.451.078.323	2.997.322.802
<b>Total</b>	<b>2.451.078.323</b>	<b>2.997.322.802</b>

<b>6. Other income</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Other income	157.084.098	(4.585.536.519)
<b>Total</b>	<b>157.084.098</b>	<b>(4.585.536.519)</b>

<b>7. Other expense</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Other expense:	72.162.895	201.545.854
<b>Total</b>	<b>72.162.895</b>	<b>201.545.854</b>

<b>8. Deferred corporate income tax expense</b>	<b>The fourth quarter of 2024</b>	<b>The fourth quarter of 2023</b>
Corporate income tax expense	220.877.997	(424.095.998)
<b>Total</b>	<b>220.877.997</b>	<b>(424.095.998)</b>

Prepared by  
  
**Hoàng Việt Nga**

Chief accountant  
  
**Trần Thị Lan Anh**

Nghe An, January 20, 2025

General director  
  
**Hoàng Văn Hải**

