



# VIWACO Joint Stock Company

Financial statements

For the fourth quarter ended 2024



# VIWACO Joint Stock Company

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# VIWACO Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

VIWACO Joint Stock Company (“the Company”), formerly known as Clean Water Investment Construction and Trading Joint Stock Company, was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0103006729 issued by Hanoi Department of Planning and Investment on 17 March 2005. On 2 December 2015, the Company was granted with the 5th amended Enterprise Registration Certificate No. 0101624050, whereby the Company’s name was changed to VIWACO Joint Stock Company. The Company also received subsequent amended Enterprise Registration Certificates with the 8th amendment on 6 January 2022 as the latest.

The current principal activities of the Company are distribution of clean water, design and construction of water supply and drainage systems for urban and rural areas in accordance with the Investment Registration Certificate No. 01121000022 issued on 4 May 2007.

The Company’s shares have been listed on UPCOM from 26 July 2017 under ticker VAV.

The Company’s head office is located at 1st floor, Building 17-T7, Trung Hoa Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan District, Hanoi. The Company has one Branch, which is Electromechanical Center, located in Voltage connection station D, Lane No.9, Khuat Duy Tien Street, Thanh Xuan Bac Ward, Thanh Xuan District, Hanoi.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Duong Van Mau	Chairman
Mr. Nguyen Huu Toi	Member
Mr. Truong Tien Hung	Member

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Nguyen Thi Quynh Trang	Head of Board of Supervision
Ms. Tran Thi Kim Oanh	Member
Mr. Pham Thanh Binh	Member

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Nguyen Huu Toi	General Director
Mr. Cao Hai Thap	Deputy General Director
Mr. Dinh Hoang Lan	Deputy General Director
Mr. Dinh Huu Canh	Deputy General Director
Mr. Do Xuan Tien	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Huu Toi, General Director.

BALANCE SHEET  
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	31 December 2024	31 December 2023
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>575,141,580,062</b>	<b>348,424,250,803</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>490,107,863,528</b>	<b>212,824,837,062</b>
111	1. Cash		19,607,863,528	22,924,837,062
112	2. Cash equivalents		470,500,000,000	189,900,000,000
<b>120</b>	<b>II. Short-term investments</b>		<b>93,000,000,000</b>	<b>93,000,000,000</b>
123	1. Held-to-maturity investments	5	93,000,000,000	93,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>22,797,691,038</b>	<b>27,055,843,003</b>
131	1. Short-term trade receivables	6.1	24,144,063,867	24,192,233,113
132	2. Short-term advances to suppliers	6.2	3,194,109,920	5,060,263,006
135	3. Short-term loan receivables		2,000,000,000	2,000,000,000
136	4. Other short-term receivables	7	1,506,890,356	3,850,719,989
137	5. Provision for doubtful short-term receivables		(8,047,373,105)	(8,047,373,105)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>16,889,142,232</b>	<b>14,903,572,411</b>
141	1. Inventories		17,648,215,772	15,662,645,951
149	2. Provision for obsolete inventories		(759,073,540)	(759,073,540)
<b>150</b>	<b>V. Other current assets</b>		<b>346,883,264</b>	<b>639,998,327</b>
152	1. Value-added tax deductible		346,883,264	639,998,327
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>517,777,553,709</b>	<b>524,164,172,414</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>480,560,866,833</b>	<b>512,659,711,272</b>
221	1. Tangible fixed assets	10	465,722,366,896	500,955,003,022
222	Cost		1,039,500,113,540	1,015,269,957,108
223	Accumulated depreciation		(573,777,746,644)	(514,314,954,086)
224	2. Finance leases	11	10,880,016,256	11,662,196,404
225	Cost		45,232,080,362	45,232,080,362
226	Accumulated depreciation		(34,352,064,106)	(33,569,883,958)
227	3. Intangible fixed assets	12	3,958,483,681	42,511,846
228	Cost		8,174,563,494	4,131,856,755
229	Accumulated amortisation		(4,216,079,813)	(4,089,344,909)
<b>240</b>	<b>II. Long-term assets in progress</b>		<b>32,757,477,053</b>	<b>11,256,094,166</b>
242	1. Construction in progress	13	32,757,477,053	11,256,094,166
<b>260</b>	<b>III. Other long-term assets</b>		<b>4,459,209,823</b>	<b>248,366,976</b>
261	1. Long-term prepaid expenses	14	4,459,209,823	175,639,698
262	2. Deferred tax assets		-	72,727,278
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,092,919,133,771</b>	<b>872,588,423,217</b>

BALANCE SHEET (continued)  
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	31 December 2024	31 December 2023
<b>300</b>	<b>C. LIABILITIES</b>		<b>385,488,762,700</b>	<b>351,094,454,899</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>300,980,880,828</b>	<b>238,327,822,421</b>
311	1.Short-term trade payables	15.1	144,716,388,874	114,195,071,223
312	2.Short-term advances from customers	15.2	17,865,169,283	19,836,561,616
313	3.Statutory obligations	16	25,449,627,453	13,666,657,746
314	4.Payables to employees		60,670,196,537	41,042,081,540
315	5.Short-term accrued expenses	17	14,764,439,612	9,963,557,251
318	6.Short-term unearned revenues		-	363,636,361
319	7.Other short-term payables	18	7,876,313,740	10,805,805,496
320	8.Short-term loans and finance leases	19	29,327,935,273	27,858,141,132
321	9.Short-term provision		131,413,136	131,413,136
322	10.Bonus and welfare fund	20	179,396,920	464,896,920
<b>330</b>	<b>II. Non-current liabilities</b>		<b>84,507,881,872</b>	<b>112,766,632,478</b>
338	1.Long-term loans and finance lease obligations	19	82,333,596,244	110,978,246,517
341	2.Deferred tax liabilities		2,174,285,628	1,788,385,961
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>707,430,371,071</b>	<b>521,493,968,318</b>
<b>410</b>	<b>I. Capital</b>	<b>21</b>	<b>707,430,371,071</b>	<b>521,493,968,318</b>
411	1. Share capital		320,000,000,000	320,000,000,000
411a	- Shares with voting rights		320,000,000,000	320,000,000,000
421	2. Undistributed earnings		387,430,371,071	201,493,968,318
421a	- Undistributed earnings by the end of prior year		163,093,968,318	93,268,806,803
421b	- Undistributed earnings of current period/current year		224,336,402,753	108,225,161,515
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,092,919,133,771</b>	<b>872,588,423,217</b>

Preparer  
Doan Thi Minh Nga

Chief Accountant  
Tran Manh Hung

General Director  
Nguyen Huu Toi

Hanoi, Vietnam

18 January 2025

INCOME STATEMENT  
for the year ended 31 December 2024

Currency: VND

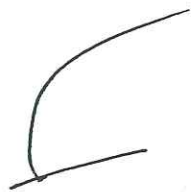
Code	ITEMS	Notes	Quarter IV 2024	Quarter IV 2023	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01		301.765.551.721	257.892.388.808	1.071.930.588.202	838.631.396.149
2. Deductions	02		-	-	-	-
3. Net revenue from sale of goods and rendering of services	10	15	301.765.551.721	257.892.388.808	1.071.930.588.202	838.631.396.149
4. Cost of goods sold and services rendered	11	16	203.336.305.722	197.134.855.423	737.235.783.884	660.611.997.302
5. Gross profit/(loss) from sale of goods and rendering of services	20		98.429.245.999	60.757.533.385	334.694.804.318	178.019.398.847
6. Finance income	21		4.469.133.553	1.656.568.339	13.050.472.981	10.663.500.209
7. Finance expenses	22		1.874.481.364	2.740.254.089	9.826.759.408	13.750.594.317
- Interest expenses	23		1.874.481.364	2.740.254.089	9.826.759.408	13.750.594.317
8. Shares of profit/(loss) of associates, joint-ventures	24					
9. Selling expenses	25	17	2.787.290.456	4.224.556.316	27.451.663.518	24.317.370.416
10. General and administrative expenses	26	18	5.328.112.295	6.047.119.084	30.134.311.401	23.732.509.261
11. Operating profit	30		92.908.495.437	49.402.172.235	280.332.542.972	126.882.425.062
12. Other income	31		473.544.841	843.069.822	1.723.181.205	953.039.614
13. Other expenses	32		14.882.000	371.301.044	1.195.514.081	447.526.780
14. Other profit	40		458.662.841	471.768.778	527.667.124	505.512.834
15. Accounting profit before tax	50		93.367.158.278	49.873.941.013	280.860.210.096	127.387.937.896
16. Current corporate income tax expenses	51		18.673.431.656	8.795.812.068	56.065.180.398	17.230.754.057
17. Deferred tax expenses	52		72.727.278	1.932.022.324	458.626.945	1.932.022.324
18. Net profit after tax	60		74.620.999.344	39.146.106.621	224.336.402.753	108.225.161.515
18.1 Net profit after tax attributable of parent	61					
18.2 Net profit after tax attributable of non-controlling interest	62		-	-	-	-
19. Basic earnings per shares(*)	70		2.332	1.223	7.011	3.382
20. Diluted earnings per share	71		2.332	1.223	7.011	3.382



Preparer  
Doan Thi Minh Nga

Hanoi, Vietnam

18 January 2025



Chief Accountant  
Tran Manh Hung



General Director  
Nguyen Huu Toi

CASH FLOW STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	2024	2023
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>280,860,210,096</b>	<b>127,387,937,896</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and finance lease assets and amortisation of intangible fixed assets		63,544,124,569	60,025,931,650
05	Profits from investing activities		(13,050,472,981)	(10,663,500,209)
06	Interest expenses	24	9,826,759,408	13,750,594,317
08	<b>Operating profit before changes in working capital</b>		<b>341,180,621,092</b>	<b>190,500,963,654</b>
09	Decrease/(increase) in receivables		4,551,267,028	(4,310,855,419)
10	(Increase)/decrease in inventories		(1,985,569,821)	3,637,412,982
11	Increase in payables		27,528,851,202	48,492,302,035
12	(Increase)/decrease in prepaid expenses		(4,283,570,125)	508,795,179
14	Interest paid		(9,826,759,408)	(13,750,594,317)
15	Corporate income tax paid		(45,514,882,000)	(12,382,596,741)
17	Other cash outflows for operating activities		(285,500,000)	(1,725,300,000)
20	<b>Net cash flows from operating activities</b>		<b>311,364,457,968</b>	<b>210,970,127,373</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(28,272,863,171)	(45,781,434,035)
23	Loans to other entities and payments for purchase of debt instruments of other entities		-	(53,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		48,000,000,000	-
27	Interest and dividends received		13,050,472,981	10,663,500,209
30	<b>Net cash flows from/(used in) investing activities</b>		<b>32,777,609,810</b>	<b>(88,117,933,826)</b>

CASH FLOW STATEMENT (continued)  
for the period ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	2024	2023
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		-	4,070,533,633
34	Repayment of borrowings		(27,716,701,164)	(40,050,960,984)
35	Payment of principal of finance lease liabilities		(380,262,074)	(714,447,941)
36	Dividends paid		(38,360,160,000)	(38,364,200,000)
40	<b>Net cash flows used in financing activities</b>		<b>(66,859,041,312)</b>	<b>(75,059,075,292)</b>
50	<b>Net increase in cash for the period</b>		<b>277,283,026,466</b>	<b>47,793,118,255</b>
60	<b>Cash and cash equivalents at beginning of the period</b>		<b>212,824,837,062</b>	<b>165,031,718,807</b>
70	<b>Cash and cash equivalents at end of the period</b>	4	<b>490,107,863,528</b>	<b>212,824,837,062</b>

Preparer  
Doan Thi Minh Nga

Chief Accountant  
Tran Manh Hung



General Director  
Nguyen Huu Toi

Hanoi, Vietnam

18 January 2025



NOTES TO THE FINANCIAL STATEMENTS  
as at 31 December 2024 and for the year then ended

## 1. CORPORATE INFORMATION

VIWACO Joint Stock Company (“the Company”), formerly known as Clean Water Investment Construction and Trading Joint Stock Company, was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0103006729 issued by the Hanoi Department of Planning and Investment on 17 March 2005. On 2 December 2015, the Company was granted with the 5th amended Enterprise Registration Certificate No. 0101624050, whereby the Company’s name was changed to VIWACO Joint Stock Company. The Company also received subsequent amended Enterprise Registration Certificates with the 8th amendment on 6 January 2022 as the latest.

The current principal activities of the Company are distribution of clean water, design and construction of water supply and drainage systems for urban and rural areas in accordance with the Investment Registration Certificate No. 01121000022 issued on 4 May 2007. The Company’s shares have been listed on UPCOM from 26 July 2017.

The Company’s normal course of business cycle is 12 months.

The Company’s head office is located at 1st floor, Building 17-T7, Trung Hoa Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan District, Hanoi. The Company has one Branch, which is Electromechanical Center, located in Voltage connection station D, Lane No.9, Khuat Duy Tien Street, Thanh Xuan Bac Ward, Thanh Xuan District, Hanoi.

The number of the Company’s employees as at 31 December 2024 is 214 (31 December 2023: 214).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The financial statements of the Company, which are expressed in Vietnam dong (“VND”), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is General Journal System

### 2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### 2.4 *Accounting currency*

The financial statements are prepared in VND which is also the Company's accounting currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 *Inventories*

Inventories are measured at their historical costs. The cost of inventories comprise costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and spare parts - cost of purchase on a weighted average basis.

Work-in process - cost of semi products on a specific identification basis.

#### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Receivables*

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, and any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

#### 3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company is the lessee*

Assets held under finance leases are capitalised in the balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

#### 3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and finance lease assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 30 years
Machinery and equipment	4 - 10 years
Means of transportation	5 - 30 years
Office equipment	5 - 10 years
Computer software	4 - 8 years

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the income statement:

- ▶ Tools with significant value issued into production and can be used for more than one year;
- ▶ Substantial expenditure of fixed asset overhaul; and
- ▶ Others prepaid expense.

#### 3.10 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### 3.11 *Investments*

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the financial statements and deducted against the value of such investments.

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the income statement.

#### 3.12 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the reporting dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Charter of the Company and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Bonus and welfare fund*

#### 3.14 *Revenue recognition*

Revenue is recognised to the extent that 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, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Clean water distribution revenue*

Clean water distribution revenue is recognised with reference to the water price regulated by Hanoi People's Committee and water consumption volume of customers, monitored via meter on monthly basis.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Construction contract*

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date based on actual accomplishment accepted by client.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with customers.

#### 3.15 *Construction contract*

When the outcome of a construction contract can be estimated reliably, the revenue and costs associated with the contract are recognized in proportion to the work completed by the end of the accounting period based on the actual volume of work completed and accepted.

Adjustments during the execution of the contract, bonuses, and other payments are only included in the revenue when they have been agreed upon with the customer.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the reporting date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 *Taxation* (continued)

##### *Deferred tax* (continued)

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.17 *Earnings per share*

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.18 *Segment information*

The Company's principal activity is to distribute clean water. In addition, these activities are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's products that the Company is distributing or the locations where the Company is operating. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore, presentation of segment information is not required.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Related parties

Parties are considered to be related parties of the Company if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

### 4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	963,243,487	261,905,833
Cash at banks	18,644,620,041	22,662,931,229
Cash equivalents	<u>470,500,000,000</u>	<u>189,900,000,000</u>
<b>TOTAL</b>	<b><u>490,107,863,528</u></b>	<b><u>212,824,837,062</u></b>

Cash equivalents as at 31 December 2024 include bank deposits in VND with maturity terms ranging from 1 month to 3 months and earning interest at rates ranging from 1.5% to 3.5% per annum (as at 31 December 2023: from 1.9% to 4.3% per annum).

### 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 31 December 2024 comprises short-term bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at rates ranging from 3.3% to 6.2% per annum (as at 31 December 2023: from 6 months to 12 months and earning interest at rates ranging from 3.5% to 6.2% per annum). In which, some deposit contracts with a total value of 2 billion VND are used as collateral for bank loans as disclosed in Note 19.

### 6. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS

#### 6.1 Short-term trade receivable

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables	18.570.320.519	18.618.489.765
<i>Trade receivables from clean water distribution customers</i>	17.078.568.329	15.612.828.997
<i>Other customers</i>	1.491.752.190	3.005.660.768
Trade receivables from related parties	5.573.743.348	5.573.743.348
<i>Vietnam Construction And Import-Export Joint Stock Company</i>	1.183.456.164	1.183.456.164
<i>VIMECO Joint Stock Company</i>	<u>4.390.287.164</u>	<u>4.390.287.164</u>
<b>TOTAL</b>	<b><u>24.144.063.867</u></b>	<b><u>24.192.233.113</u></b>
Provision for doubtful receivables	(7,170,248,818)	(7,170,248,818)

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS (continued)**

**6.2 Short-term advances to suppliers**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Hanoi Urban House Trading and Development JSC	2,596,110,103	2,596,110,103
Duong Thanh Water and Construction JSC	-	2,156,337,434
Other suppliers	597,999,817	307,815,469
<b>TOTAL</b>	<b><u>3,194,109,920</u></b>	<b><u>5,060,263,006</u></b>

**7. OTHER SHORT-TERM RECEIVABLES**

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
Advances to employees	1,286,633,826	(877,124,287)	2,648,415,781	(877,124,287)
Others	220,256,530	-	1,202,304,208	-
<b>TOTAL</b>	<b><u>1,506,890,356</u></b>	<b><u>(877,124,287)</u></b>	<b><u>3,850,719,989</u></b>	<b><u>(877,124,287)</u></b>

**8. BAD DEBTS**

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Vimeco Joint Stock Company	4,390,287,184	-	4,390,287,184	-
Household trade receivables	2,380,299,898	-	2,380,299,898	-
Mr. Do Nam Dinh	449,844,875	-	449,844,875	-
Others	826,941,148	-	894,127,423	67,186,275
<b>TOTAL</b>	<b><u>8,047,373,105</u></b>	<b><u>-</u></b>	<b><u>8,114,559,380</u></b>	<b><u>67,186,275</u></b>

**9. INVENTORIES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Work (construction) in progress	6,972,388,363	6,509,349,682
Raw materials	10,675,827,409	9,153,296,269
<b>TOTAL</b>	<b><u>17,648,215,772</u></b>	<b><u>15,662,645,951</u></b>
Provision for obsolete inventories	(759,073,540)	(759,073,540)

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 10. TANGIBLE FIXED ASSETS

Currency: VND

Cost:	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Beginning balance	36,097,277,405	91,159,961,940	884,173,735,882	3,838,981,881	1,015,269,957,108
- New purchase	-	139,000,000	1,330,098,182	-	1,469,098,182
- Transfer from construction in progress	-	2,347,224,537	24,742,633,713	-	15,691,994,408
- Disposal	-	-	(4,328,800,000)	-	(4,328,800,000)
Ending balance	36,097,277,405	93,646,186,477	905,917,667,777	3,838,981,881	1,039,500,113,540
<i>In which:</i>					
Fully depreciated	4,682,958,397	27,610,612,444	203,498,089,633	2,416,799,322	238,208,459,796
<b>Accumulated depreciation:</b>					
Beginning balance	16,453,457,044	49,933,700,003	445,356,290,461	2,571,506,578	514,314,954,086
- Depreciation for the year	1,312,656,804	11,530,942,684	49,597,167,743	194,442,286	62,635,209,517
- Disposal	-	-	(3,172,416,959)	-	(3,172,416,959)
Ending balance	17,766,113,848	61,464,642,687	491,781,041,245	2,765,948,864	573,777,746,644
<b>Net carrying amount:</b>					
Beginning balance	20,398,001,888	34,621,669,950	445,664,839,512	1,267,475,303	500,955,003,022
Ending balance	18,331,163,557	32,181,543,790	414,163,626,532	1,073,033,017	465,722,366,896

Buildings and structures, machinery and equipment of certain projects of which the Company is the developer, with the total net carrying amount of VND 143 billion were used as collaterals for bank loans as disclosed in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 11. FINANCE LEASES

Currency: VND

<b>Cost:</b>	Pumping station	Machinery and equipment	Means of transportation	Total
Beginning balance	1,235,156,584	2,666,915,528	41,330,008,250	45,232,080,362
Ending balance	1,235,156,584	2,666,915,528	41,330,008,250	45,232,080,362
<i>In which:</i>				
Fully depreciated	920,424,048	2,510,107,016	17,367,473,059	20,798,004,123
<b>Accumulated depreciation:</b>				
Beginning balance	919,936,143	1,944,195,848	30,705,751,967	33,569,883,958
- Depreciation for the year	23,390,488	46,780,974	712,008,686	782,180,148
Ending balance	943,326,631	1,990,976,822	31,417,760,653	34,352,064,106
<b>Net carrying amount:</b>				
Beginning balance	315,220,441	722,719,680	10,624,256,283	11,662,196,404
Ending balance	291,829,953	675,938,706	9,912,247,597	10,880,016,256

The Company leases water supply system in the southwest of Hanoi City, from Hanoi Clean Water One Member Limited Company under the Finance Lease Contract No. 21/HDKT-NSHN dated 25 March 2009 and Appendix No. 01/2017/PLHD-NSHN dated 1 January 2017, with the lease term from 2009 to the end of 2037. Future lease payments under the lease contract are disclosed in Note 18.

**12. INTANGIBLE FIXED ASSETS**

Currency: VND

Computer software

**Cost:**

Beginning balance	4,131,856,755
- Increase in period	4,042,706,739
Ending balance	<u>8,174,563,494</u>

*In which:*

Fully amortised	3,778,856,755
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**Accumulated amortisation:**

Beginning balance	4,089,344,909
- Amortisation for the year	126,734,904
Ending balance	<u>4,216,079,813</u>

**Net carrying amount:**

Beginning balance	<u>42,511,846</u>
Ending balance	<u>3,958,483,681</u>

**13. CONSTRUCTION IN PROGRESS**

Currency: VND

	Ending balance	Beginning balance
Renovation of the water supply network DMA K6/Hoang Ngan 1	4,493,897,825	214,526,406
Renovation and replacement of the old water supply network block 2 - Thanh Xuan Bac ward	16,301,735,564	16,800,000
Renovation the water supply network of Blocks 4,5,6 - Thanh Xuan district, Hoang Mai district	3,082,792,510	1,419,940,577
Renovation and replacement of the old water supply network in 2022 - Block 3 (K3)	8,879,051,154	9,604,827,183
<b>TOTAL</b>	<b><u>32,757,477,053</u></b>	<b><u>11,256,094,166</u></b>

**14. LONG TERM PREPAID EXPENSE**

Currency: VND

	Ending balance	Beginning balance
Office renovation expenses	3,147,367,571	-
Installation cost of individual meters for customers	1,233,755,844	-
Others	78,086,408	175,639,698
<b>TỔNG CỘNG</b>	<b><u>4,459,209,823</u></b>	<b><u>175,639,698</u></b>

**15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**

**15.1 Short-term trade payables**

	Currency: VND	
	<i>Balance and payable amount</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables	79,579,713,867	49,312,522,747
<i>Song Duong Surface Water JSC</i>	50,523,459,768	34,883,759,118
<i>Duong Thanh Water and Construction Joint Stock Company</i>	11,882,221,469	2,156,337,434
<i>Other payables</i>	17,174,032,630	12,272,426,195
Short-term trade payable from related parties	65,136,675,007	64,882,548,476
<i>Song Da Water Investment Joint Stock Company</i>	62,514,652,531	62,638,285,518
<i>Hanoi Clean Water One Member Limited Liability Company</i>	340,329,990	-
<i>Construction No. 12 Joint Stock Company</i>	2,232,322,346	2,232,322,346
<i>Vietnam National Construction and Import-Export Joint Stock Corporation</i>	49,370,140	11,940,612
<b>TOTAL</b>	<b><u>144,716,388,874</u></b>	<b><u>114,195,071,223</u></b>

**15.2 Short-term advances from customers**

	Currency: VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advances from customers	16,620,654,020	19,611,884,616
<i>Tasco Joint Stock Company</i>	1,842,304,600	1,842,304,600
<i>Investment and Urban construction Joint Stock Company</i>	1,467,548,000	1,467,548,000
<i>Mulberry Lane Condominium Management Board</i>	1,396,129,500	1,396,129,500
<i>Other customers</i>	11,914,671,920	14,905,902,516
Short-term advances from related parties (Note 27)	1,244,515,2630	224,667,000
<i>Vietnam National Construction and Import-Export Joint Stock Corporation (Vinaconex)</i>	1,244,515,263	-
<i>Ly Thai To Education Single Member Limited Liability Company</i>	-	224,677,000
<b>TOTAL</b>	<b><u>17,865,169,283</u></b>	<b><u>19,836,561,616</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 16. STATUTORY OBLIGATIONS

*Currency: VND*

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
Environmental protection fee	6,024,269,158	79,712,770,372	(78,632,958,561)	7,104,080,969
Value added tax	-	15,844,382,201	(15,844,382,201)	-
Corporate income tax	7,398,115,154	56,065,180,398	(45,500,000,000)	17,963,295,552
Personal income tax	244,273,434	1,514,314,083	(1,376,336,585)	382,250,932
Other taxes	-	4,000,000	(4,000,000)	-
<b>TOTAL</b>	<b><u>13,666,657,746</u></b>	<b><u>153,140,647,054</u></b>	<b><u>(141,357,677,347)</u></b>	<b><u>25,449,627,453</u></b>

#### 17. SHORT-TERM ACCRUED EXPENSES

*Currency: VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued materials cost for construction	5,436,784,135	3,690,189,855
Accrued construction cost	7,407,655,477	2,308,968,006
Remuneration for the Board of Directors and the Board of Supervision	1,920,000,000	1,920,000,000
Others	-	2,044,399,390
<b>TOTAL</b>	<b><u>14,764,439,612</u></b>	<b><u>9,963,557,251</u></b>

#### 18. OTHER SHORT-TERM PAYABLES

*Currency: VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to construction teams	6,261,876,721	9,275,709,968
Dividend payables	566,640,000	526,800,000
Others	1,047,797,019	1,003,295,528
<b>TOTAL</b>	<b><u>7,876,313,740</u></b>	<b><u>10,805,805,496</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

19. LOANS AND FINANCE LEASES

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
<b>Short-term loans</b>						
Current portion of long-term loans from banks (Note 19.1)	24,228,380,984	24,228,380,984	24,923,258,293	(23,545,095,984)	25,606,543,293	25,606,543,293
Current portion of loans from others (Note 19.2)	2,847,580,000	2,847,580,000	2,847,577,000	(2,847,580,000)	2,847,577,000	2,847,577,000
Current portion of long-term finance leases (Note 19.3)	782,180,148	782,180,148	873,814,980	(782,180,148)	873,814,980	873,814,980
<b>TOTAL</b>	<b>27,858,141,132</b>	<b>27,858,141,132</b>	<b>28,644,650,273</b>	<b>(27,174,856,132)</b>	<b>29,327,935,273</b>	<b>29,327,935,273</b>
<b>Long-term loans</b>						
Loans from banks (Note 19.1)	77,430,119,628	77,430,119,628	-	(24,923,258,293)	52,506,861,335	52,506,861,335
Loans from others (Note 19.2)	22,668,110,633	22,668,110,633	-	(2,847,577,000)	19,820,533,633	19,820,533,633
Finance leases (Note 19.3)	10,880,016,256	10,880,016,256	-	(873,814,980)	10,006,201,276	10,006,201,276
<b>TOTAL</b>	<b>110,978,246,517</b>	<b>110,978,246,517</b>	<b>-</b>	<b>(28,644,650,273)</b>	<b>82,333,596,244</b>	<b>82,333,596,244</b>

Currency: VND



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

19. LOANS AND FINANCE LEASES (continued)

19.1 Long-term loans from banks

Details of loans from banks are as follows:

Bank	Balance as at 31 Dec 2024 (VND)	Principal and interest payment term	Interest rate	Description of collateral
Military Commercial Joint Stock Bank – Dong Da Branch	3,200,355,000	120 months. Principal and interest are payable in monthly instalments, until October 2029.	10.7%	All machinery, equipment and asset rights associated with supplement items of water distribution pipeline and meter installation in Ta Thanh Oai village, of Project construction of water supply system for the 4 communes of Huu Hoa, Ta Thanh Oai, Tam Hiep and a part of Van Dien Town, Thanh Tri District, Hanoi and deposit contract No. 28311.19.059.2490114.TG.DN dated 16 September 2020 at Military Commercial Joint Stock Bank - Dong Da Branch.
	11,633,948,242	120 months. Principal and interest are payable in monthly instalments, until April 2027.	11.1%	All water pipes and equipment of Project "Construction of water supply system for Vinh Quynh Commune, Thanh Tri District, Ha Noi".
	13,517,843,917	120 months. Principal and interest are payable in monthly instalments, until April 2027.	11.1%	All machinery and equipment of Project "Construction of water supply system for the 4 communes of Xuan Phuong, Dai Mo, Tay Mo and Trung Van, Nam Tu Liem, Hanoi" (including project development cost).
Joint Stock Commercial Bank for Foreign Trade of Vietnam – West Hanoi Branch	17,238,564,067	120 months. Principal and interest are payable in monthly instalments, until July 2029.	7.3%	All machinery and equipment of Project "Construction of water supply system for the communes of Huu Hoa, Ta Thanh Oai, Tam Hiep and Van Dien Town".
	8,369,057,200	132 months. Principal and interest are payable in monthly instalments, until December 2032.	6.6 – 7.6 %	All machinery and equipment of Project "Construction and renovation of water supply system of Van Dien Town and water pipes of Vinh Quynh commune.
Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	7,716,530,305	84 months. Principal and interest are payable in quarterly instalments, until July 2027	8.2%	All infrastructure of Project "Construction and renovation of water distribution pipeline, DMA meter for K6/3B area - zone 1, zone 2, zone 3, zone 4 in Thanh Xuan District, Hanoi" and and time deposit under contract No. 140/2020/37655 issued on 25 February 2020 by Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Thang Long Branch.
Shinhan Bank Ltd. – Pham Hung Branch	6,870,811,019	120 months. Principal is payable in quarterly instalments and interest is payable monthly, until November 2031.	7.8%	Water pipeline system and equipment of Project "Supplement construction and renovation of old water supply system to reduce water loss in 2021 in Thanh Xuan District".
Vietnam International Joint Stock Commercial Bank – Dong Da Branch	9,566,294,878	84 months. Principal and interest are payable in monthly instalments, until January 2028.	8.0%	All assets funded by the loan, of Project "Renovation of water distribution line and DMA meter installation for K4/48 area and K2/242 Vu Tong Phan".
<b>TOTAL</b>	<b>78,113,404,628</b>			
<i>In which:</i>				
Current portion	25,606,543,293			
Long-term	52,506,861,335			

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**19. LOANS AND FINANCE LEASES (continued)**

**19.2 Loans from others**

Details of loans from others are as follows:

<i>Bank</i>	<i>Balance as at 31 December 2024 (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate</i>	<i>Description of collateral</i>
Hanoi City Investment Fund for Development	5,400,000,000	240 months. Principal is payable every 6 months, until November 2033.	None	Unsecured
	13,500,000,000	240 months. Principal is payable annually, until November 2033.	None	Unsecured
	3,545,533,633	78 months. Principal is payable in quarterly instalments and interest is payable monthly, until November 2029.	5.96%	The collateral for this loan is Deposit Contract No. 140/2023/43199 issued on 22 December 2023 by Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Thang Long Branch
Housing and Urban Development Corporation	225,577,000	144 months. Principal is payable annually, until July 2025.	None	Unsecured
<b>TOTAL</b>	<b>25,515,690,633</b>			
<i>In which:</i>				
<i>Current portion</i>	2,847,580,000			
<i>Long-term</i>	22,668,110,633			

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**19. LOANS AND FINANCE LEASES (continued)**

**19.3 Finance lease**

The Company leases the water supply system in the southwest of Hanoi under Lease arrangement No. 21/HDKT-NSHN dated 25 March 2009 and Appendix No. 01/2017/PLHD-NSHN from Hanoi Clean Water One Member Company Limited with the lease term from 2009 to the end of 2037.

Future obligations due under the finance lease agreements as at the balance sheet dates are as follows:

	Ending balance		Beginning balance		Currency: VND
	Total lease payments	Finance charges	Total lease payments	Finance charges	
Less than 1 year	2,106,205,328	1,232,390,448	2,106,205,328	1,324,025,180	782,180,148
From 1-5 years	9,395,421,666	4,824,347,022	9,687,675,557	5,129,592,840	4,558,082,717
More than 5 years	7,241,614,449	1,806,487,717	9,055,565,886	2,733,632,347	6,321,933,539
<b>TOTAL</b>	<b>18,743,241,443</b>	<b>7,863,225,187</b>	<b>20,849,446,771</b>	<b>9,187,250,367</b>	<b>11,662,196,404</b>

**20. BONUS AND WELFARE FUND**

	Currency: VND	
	Current year	Previous year
Beginning balance	464,896,920	2,190,196,920
Utilisation of fund during the year	(285,500,000)	(1,725,000,000)
Ending balance	179,396,920	464,896,920

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 21. OWNERS' EQUITY

### 21.1 Increase and decrease in owners' equity

Currency: VND

	Share capital	Undistributed earnings	Total
<b>Previous year</b>			
Beginning balance	320,000,000,000	86,420,274,505	406,420,274,505
- Net profit for the year	-	108,225,161,515	108,225,161,515
- Cash dividends declared	-	(38,400,000,000)	(38,400,000,000)
Ending balance	<u>320,000,000,000</u>	<u>201,493,968,318</u>	<u>521,493,968,318</u>
<b>Current year</b>			
Beginning balance	320,000,000,000	201,493,968,318	521,493,968,318
- Net profit for the year	-	224,336,402,753	224,336,402,753
- Cash dividends declared (*)	-	(38,400,000,000)	(38,400,000,000)
Ending balance	<u>320,000,000,000</u>	<u>387,430,371,071</u>	<u>707,430,371,071</u>

(\*) According to Resolution No. 04/2024/NQ-DHDCD dated 6 May 2024, the General Meeting of Shareholders approved the cash dividends paid at 12% of pair value with amount VND 38,400,000,000.

### 21.2 Share capital

Currency: VND

	Ending balance		Beginning balance	
	Ordinary shares VND	% of ownership %	Ordinary shares VND	% of ownership %
Vietnam Construction and Import - Export JSC	163,200,000,000	51.0%	163,200,000,000	51.0%
Hanoi Clean Water One Member Limited Company	75,848,800,000	23.7%	75,848,800,000	23.7%
Song Da Water Investment JSC	48,294,000,000	15.1%	48,294,000,000	15.1%
Others	32,657,200,000	10.2%	32,657,200,000	10.2%
<b>TOTAL</b>	<u><b>320,000,000,000</b></u>	<u><b>100%</b></u>	<u><b>320,000,000,000</b></u>	<u><b>100%</b></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**21. OWNERS' EQUITY (continued)**

**21.3 Dividends**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Dividends declared during the year</b>		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2023: VND 1,200 per share	38,400,000,000	-
Cash dividends for 2022: VND 1,200 per share	-	38,400,000,000
<b>Dividends paid during the year</b>		
Dividends for 2023	38,236,288,800	-
Dividends for 2022	960,000	38,359,200,000
Dividends for 2011	-	5,000,000

**21.4 Shares**

	<i>Ending balance Quantity</i>	<i>Beginning balance Quantity</i>
<b>Authorized shares</b>	<b>32,000,000</b>	<b>32,000,000</b>
<b>Issued shares</b>	<b>32,000,000</b>	<b>32,000,000</b>
Ordinary shares	32,000,000	32,000,000
Preference shares	-	-
<b>Shares in circulation</b>	<b>32,000,000</b>	<b>32,000,000</b>
Ordinary shares	32,000,000	32,000,000
Preference shares	-	-

Par value of outstanding shares is VND 10,000 per share (31 December 2023: VND 10,000 per share). These shares are listed on UPCOM under the ticker VAV.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. REVENUES

### 22.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Quarter IV 2024	Quarter IV 2023
<b>Gross revenue</b>	<b>301,765,551,721</b>	<b>257,892,388,808</b>
<i>In which:</i>		
<i>Revenue from distribution of water</i>	296,117,015,933	252,039,707,648
<i>Revenue from construction activities and others</i>	5,648,535,788	5,852,681,160
<b>Deduction</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b><u>301,765,551,721</u></b>	<b><u>257,892,388,808</u></b>
<i>In which:</i>		
<i>Sales to related parties</i>	3,153,907,800	2,697,617,752
<i>Sales to others</i>	298,611,643,921	254,197,771,056

### 22.2 Finance income

	Currency: VND	
	Quarter IV 2024	Quarter IV 2023
Interest income	1,966,558,210	1,656,568,339
Loan interest income	2,502,575,343	-
<b>TOTAL</b>	<b><u>4,469,133,553</u></b>	<b><u>1,656,568,339</u></b>

## 23. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	Quarter IV 2024	Quarter IV 2023
Cost of water distribution	198,084,837,170	192,889,284,868
Cost of construction activities and others	5,251,468,552	4,245,570,555
<b>TOTAL</b>	<b><u>203,336,305,722</u></b>	<b><u>197,134,855,423</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Quarter IV 2024</i>	<i>Quarter IV 2023</i>
Loan and finance lease interest	1,874,481,364	2,740,254,089
<b>TOTAL</b>	<b><u>1,874,481,364</u></b>	<b><u>2,740,254,089</u></b>

## 25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Quarter IV 2024</i>	<i>Quarter IV 2023</i>
<b>Selling expenses</b>		
Labour cost	2,709,485,826	2,890,056,392
Depreciation	4,807,800	4,807,800
Expenses for external services	72,996,830	1,306,963,897
Others	-	22,728,227
<b>TOTAL</b>	<b><u>2,787,290,456</u></b>	<b><u>4,224,556,316</u></b>
<b>General and administrative expenses</b>		
Labour cost	2,158,785,624	3,195,164,151
Depreciation	560,901,579	600,318,977
Expenses for external services	2,608,425,092	2,247,635,956
Others	4,000,000	4,000,000
<b>TOTAL</b>	<b><u>5,328,112,295</u></b>	<b><u>6,047,119,084</u></b>

## 26. CORPORATE INCOME TAX

For clean water distribution, in accordance with Investment Registration Certificates, the Company is entitled to incentive corporate income tax ("CIT") rate of 10% for 15 years commencing from the first year of earning revenue (from 2005 to 2019). The Company is also entitled to an exemption from CIT for 4 years commencing from the first year in which taxable income is earned (from 2011 to 2014), and a 50% reduction of the applicable CIT tax rate for the following 9 years (from 2015 to 2023). Accordingly, net CIT rate applied for taxable income for the current year is 20%.

For other activities, the CIT rate applicable to the Company is 20% of taxable income.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon the final determination by the tax authorities.

### *CIT expense*

	<i>Currency: VND</i>	
	<i>Quarter IV 2024</i>	<i>Quarter IV 2023</i>
Current CIT expense	18,673,431,656	8,795,812,068
Deferred income tax expenses	72,727,278	1,932,022,324
<b>TOTAL</b>	<b><u>18,746,158,934</u></b>	<b><u>10,727,834,392</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2024 and for the six-month period then ended

**27. EARNINGS PER SHARE**

The following reflects the data used in the basic and diluted earnings per share computations:

	<i>Currency: VND</i>	
	<i>For the quarter ended 31 December 2024</i>	<i>For the quarter ended 31 December 2023</i>
Net profit after tax attributable to ordinary shareholders	74,620,999,344	39,146,106,621
Adjustment decrease due to distribution to bonus and welfare fund	-	-
Net profit after tax attributable to ordinary shareholders for basic earnings	74,620,999,344	39,146,106,621
Dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b><u>74,620,999,344</u></b>	<b><u>39,146,106,621</u></b>
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	32,000,000	32,000,000
Basic earnings per share	2,332	1,223
Diluted earnings per share	2,332	1,223

Net profit used to compute earnings per share for the six-month period ended 31 December 2024 was not adjusted for distribution to bonus and welfare funds from retained earnings of the year 2024 as the Shareholders Meeting's Resolution is not yet available.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim financial statements.



Preparer  
Doan Thi Minh Nga

Chief accountant  
Tran Manh Hung



General Director  
Nguyen Huu Toi

Hanoi, Vietnam

18 January 2025