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**BINH DINH WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS
For the year ended 31/12/2024

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Binh Dinh Water Supply And Sewerage Joint Stock presents this report together with the Company's audited financial statements for the year ended 31st December 2024

THE COMPANY

Binh Dinh Water Supply And Sewerage Joint Stock Company (hereinafter referred to as "the Company"), formerly known as Binh Dinh Water Supply and Sewerage One Member Company Limited, was converted into Binh Dinh Water Supply And Sewerage Joint Stock Company according to the decision Decree No. 512/QĐ - CT People's Committee dated March 20, 2012 on approving the plan to arrange enterprises with 100% state capital in Binh Dinh province for the period 2012-2015. The company operates under the Certificate of Business Registration Joint Stock Company business code 4100258955 issued by the Department of Planning and Investment of Binh Dinh province for the first time on July 31, 2010, Changes of times and the 8th time on December 24, 2024 regarding change of address (combining administrative boundaries) of residence of legal representative.

Corporation Name in a Foreign Language: Binh Dinh Water Supply And Sewerage Joint Stock Company, Initials: BIDIWASSCO.

The Company's Charter capital under the Business Registration Certificate number 4100258955, changed for the 8th time on December 24, 2024 is: 124,108,000,000 VND (In word: One hundred and twenty-four billion, one hundred and eight million dong).

The Company's stock is currently listed on the UPCoM Stock Exchange with stock code BDW

The Company's registered office is located at No. 146, Ly Thai To Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam

EXECUTIVE BOARD

Members of Boards of Directors, Supervisors and Management who held the Company during the year and at the date of this report are as follows

Board of Directors

Mr. Nguyen Van Chau	Chairman
Mr. Le Tien Dung	Member
Mr. Le Thanh Cuong	Member
Mr. Phan Dinh Tan	Member
Ms. Ngo Thi Hong Van	Member

Board of Supervisors

Ms. Tran Nguyen Hanh Lan	Head of the Board
Ms. Huynh Thi Giao	Member
Mr. Ha Phu Cuong	Member

Board of Management

Mr. Le Tien Dung	CEO
Mr. Le Thanh Cuong	Deputy CEO
Mr. Nguyen Nguyen Hoai Vien	Deputy CEO

SUBSEQUENT EVENTS

According to the Board of Management, in all material respects, there have been no other significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments to or disclosures to be made in the financial statements for the year ended 31st December 2024.

STATEMENT OF THE BOARD OF MANAGEMENT (CONTINUED)

AUDITORS

The Company's financial statements for the year ended 31st December 2024 have been audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT

THE BOARD OF MANAGEMENT RESPONSIBILITY

The Company's Board of Management is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31/12/2024 as well as of its income and cash flows statements for the year then ended, complying with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant regulations in preparation and disclosure of financial statements. In preparing these financial statements, the Board of Management is required to:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the Accounting Standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors;
- Prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing the financial statements.

For and on behalf of the Board of Management, 



Nguyen Van Chau
Chairman of the Board of Directors
Binh Dinh, February 06, 2025

Head Office in Hanoi:

8th floor, VG Building, No. 235 Nguyen Trai Str.,
Thanh Xuan Dist., Hanoi, Vietnam

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No: 69/2025/BCKT-CPA VIETNAM-NV2

INDEPENDENT AUDITORS' REPORT

To: Shareholders
Boards of Directors, Supervisors and Management
Binh딘h Water Supply And Sewerage Joint Stock Company

We have audited the accompanying financial statements of Binh딘h Water Supply And Sewerage Joint Stock Company as set out on pages 06 to page 32, prepared on 06/02/2025 including the Balance sheet as at 31/12/2024, and the Income Statement, and Cash flows Statement for the year then ended, and Notes to the financial statements.

Responsibility of the Boards of Management

The Boards of Management is responsible for the true and fair preparation and presentation of these financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for the internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These Standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Company's separate financial statements are there any significant errors or not.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design appropriate audit procedures to the actual situation, which is not intended to give an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Auditors' Opinion

In our opinion, the accompanying financial statements gives a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements in Vietnam



Nguyen Thi Mai Hoa
Deputy General Management
Audit Practising Registration Certificate
No: 2326-2023-137-1

Authorised: 08/2025/UQ-CPA VIETNAM date 02/01/2025 of Chairman,

For and on behalf of

CPA VIETNAM AUDITING COMPANY LIMITED

A member firm of INPACT

Hanoi, February 06nd, 2025

Vu Xuan Hung
Auditor
Audit Practising Registration Certificate
No: 4015-2022-137-1

CPA VIETNAM

BALANCE SHEET
As at 31st December 2024

ASSETS	Code	Note	31/12/2024	01/01/2024
			VND	VND
A - CURRENT ASSETS	100		67,780,324,344	92,495,075,039
(100 = 110+130+140+150)				
I. Cash and cash equivalents	110	5.1	35,790,143,562	57,280,539,872
1. Cash	111		5,290,143,562	10,180,539,872
2. Cash equivalents	112		30,500,000,000	47,100,000,000
III. Short-term receivables	130		14,790,591,236	18,864,182,837
1. Short-term receivables from customers	131	5.2	12,480,697,764	15,053,954,967
2. Short-term repayments to suppliers	132	5.3	892,918,000	2,635,479,000
6. Other short-term receivables	136	5.4	1,787,502,683	1,878,436,074
7. Short-term allowances for doubtful debts	137	5.5	(370,527,211)	(703,687,204)
IV. Inventories	140		14,869,080,986	14,646,567,428
1. Inventories	141	5.6	14,869,080,986	14,646,567,428
V. Other current assets	150		2,330,508,560	1,703,784,902
2. Deductible value added tax	152		1,787,973,709	686,730,354
3. Taxes and other receivables from government budget	153	5.13	542,534,851	1,017,054,548
B - NON-CURRENT ASSETS	200		390,781,283,675	378,692,977,392
(200 = 210+220+240+260)				
I. Long-term receivables	210		421,164,361	421,164,361
6. Other long-term receivables	216	5.4	421,164,361	421,164,361
II. Fixed assets	220		363,384,211,917	342,709,149,746
1. Tangible fixed assets	221	5.7	363,267,326,738	342,522,597,895
- Historical costs	222		975,061,504,927	904,433,907,324
- Accumulated depreciation	223		(611,794,178,189)	(561,911,309,429)
3. Intangible fixed assets	227	5.8	116,885,179	186,551,851
- Historical costs	228		1,010,436,800	1,010,436,800
- Accumulated amortization	229		(893,551,621)	(823,884,949)
IV. Long-term assets in progress	240		970,513,537	15,616,535,984
2. Construction in progress	242	5.9	970,513,537	15,616,535,984
VI. Other long-term assets	260		26,005,393,860	19,946,127,301
1. Long-term prepaid expenses	261	5.10	26,005,393,860	19,946,127,301
TOTAL ASSETS (270 = 100+200)	270		458,561,608,019	471,188,052,431



BALANCE SHEET (Continued)
As at 31st December 2024

RESOURCES	Code	Note	31/12/2024	01/01/2024
			VND	VND
C- LIABILITIES (300 = 310+330)	300		200,880,191,289	233,647,134,912
I. Short-term liabilities	310		104,275,677,399	117,539,000,022
1. Short-term trade payables	311	5.11	32,716,381,187	23,156,528,239
2. Short-term prepayments from customers	312	5.12	219,192,224	149,473,493
3. Taxes and other payables to Government budget	313	5.13	2,363,136,263	3,595,604,373
4. Payables to employees	314		12,651,557,983	13,833,492,903
9. Other short-term payables	319	5.14	8,246,312,367	18,580,106,639
10. Short-term borrowings and finance lease liabilities	320	5.15	18,436,421,000	17,867,038,000
12. Bonus and welfare fund	322		29,642,676,375	40,356,756,375
II. Long-term liabilities	330		96,604,513,890	116,108,134,890
7. Other long-term payables	337	5.14	68,204,338,569	69,271,538,569
8. Long-term borrowings and finance lease liabilities	338	5.15	28,400,175,321	46,836,596,321
D- OWNERS' EQUITY (400 = 410+430)	400		257,681,416,730	237,540,917,519
I- Owners' equity	410	5.16	206,001,078,408	190,574,326,197
1. Contributed capital	411		124,108,000,000	124,108,000,000
- Ordinary shares with voting rights	411a		124,108,000,000	124,108,000,000
7. Development and investment funds	418		45,988,506,197	19,875,441,368
10. Undistributed profit after tax	421		35,904,572,211	46,590,884,829
- Undistributed profit after tax brought forward	421a		-	32,460,030,646
- Undistributed profit after tax for the current year	421b		35,904,572,211	14,130,854,183
II- Funding sources and other funds	430		51,680,338,322	46,966,591,322
2. Funds used for fixed asset acquisition	433	5.17	51,680,338,322	46,966,591,322
TOTAL RESOURCES (440 = 300+400)	440		458,561,608,019	471,188,052,431

Binh Dinh, February 06, 2025

Preparer



Nguyen Thi Phuong Tra

Chief Accountant



Dang Hoang Trung

Chairman of the board
of Directors



Nguyen Van Chau

INCOME STATEMENT
For the year ended 31 December 2024

ITEMS	Code	Note	In 2024	In 2023
			VND	VND
1. Revenues from sales and services rendered	01	6.1	285,233,545,300	273,079,975,249
2. Revenue deductions	02	6.1	8,392,500	34,684,159
3. Net revenues from sales and services rendered (10 = 01-02)	10	6.1	285,225,152,800	273,045,291,090
4. Cost of goods sold	11	6.2	184,112,670,967	163,898,119,787
5. Gross revenues from sales and services rendered (20 = 10-11)	20		101,112,481,833	109,147,171,303
6. Financial income	21	6.3	877,329,300	1,627,491,525
7. Financial expenses	22	6.4	2,280,955,100	2,948,069,098
<i>In which: Interest expenses</i>	23		2,280,955,100	2,948,069,098
8. Selling expenses	25	6.5	35,640,879,308	30,799,252,873
9. General administrative expenses	26	6.5	22,547,434,460	22,944,148,604
10. Net profit from operating activities {30 = 20+(21-22)+24-(25+26)}	30		41,520,542,265	54,083,192,253
11. Other income	31	6.6	4,757,610,375	3,557,470,344
12. Other expenses	32	6.6	1,313,797,376	1,252,394,405
13. Others profits (40 = 31-32)	40	6.6	3,443,812,999	2,305,075,939
14. Total net profit before tax (50 = 30+40)	50		44,964,355,264	56,388,268,192
15. Current corporate income tax expenses	51	6.8	9,059,783,053	11,367,279,009
16. Deferred corporate income tax expenses	52		-	-
17. Profit after corporation income tax (60 = 50-51-52)	60		35,904,572,211	45,020,989,183
Basic earnings per share	70	6.9	2,893	2,401

Preparer



Nguyen Thi Phuong Tra

Chief Accountant



Dang Hoang Trung

Binh Dinh, February 06, 2025
Chairman of the board
of Directors



Nguyen Van Chau

**BINH DINH WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**

No. 146, Ly Thai To Street, Quang Trung Ward,
Quy Nhon City, Binh Dinh Province, Vietnam

Form B 03 - DN

Issued under Circular No.200/2014/TT-BTC
22nd December 2014 of the Ministry of Finance

CASH FLOW STATEMENT

(Direct method)

For the year ended 31 December 2024

ITEMS	Code	Note	In 2024	In 2023
			VND	VND
I. Cash flows from operating activities				
1. Proceeds from sales and services rendered and other revenues	01		302,493,394,629	286,099,618,546
2. Expenditures paid to suppliers	02		(148,043,143,600)	(123,401,051,180)
3. Expenditures paid to employees	03		(53,876,138,522)	(50,624,689,368)
4. Paid interests	04		(2,528,053,100)	(2,948,069,098)
5. Paid enterprise income tax	05		(10,308,668,234)	(11,329,282,679)
6. Other proceeds from operating activities	06		72,632,326,839	57,884,432,933
7. Other expenditures on operating activities	07		(95,500,033,982)	(72,892,391,930)
Net cash flows from operating activities	20		64,869,684,030	82,788,567,224
II. Cash flows from investing activities				
1. Expenditures on purchase and construction of fixed assets	21		(37,733,077,390)	(49,129,873,799)
2. Proceeds from interests, dividends and distributed profits	27		877,329,300	1,627,491,525
Net cash flows from investing activities	30		(36,855,748,090)	(47,502,382,274)
III. Cash flows from financial activities				
2. Repayment of principal	34		(17,867,038,000)	(16,370,512,000)
3. Dividends and profits paid to owners	36		(31,637,294,250)	(11,166,941,250)
Net cash flows from financial activities	40		(49,504,332,250)	(27,537,453,250)
Net cash flows during the fiscal year (20+30+40)	50		(21,490,396,310)	7,748,731,700
Cash and cash equivalents at the beginning of the fiscal year	60		57,280,539,872	49,531,808,172
Effect of exchange rate fluctuations	61		-	-
Cash and cash equivalents at the end of the fiscal year (50+60)	70	5.1	35,790,143,562	57,280,539,872

Binh Dinh, February 06, 2025

Preparer

Chief Accountant

Chairman of the board
of Directors

Nguyen Thi Phuong Tra

Dang Hoang Trung



Nguyen Van Chau

N: COI TI KIEM PAU O'H

**BINH DINH WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**

No. 146, Ly Thai To Street, Quang Trung Ward,
Quy Nhon City, Binh Dinh Province, Vietnam

Form B 09 - DN

Issued under Circular No.200/2014/TT-BTC
22nd December 2014 of the Ministry of Finance

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. COMPANY INFORMATION

1.1 Structure of ownership

Binh Dinh Water Supply And Sewerage Joint Stock Company, formerly known as Binh Dinh Water Supply and Sewerage One Member Company Limited, was converted into Binh Dinh Water Supply And Sewerage Joint Stock Company according to the decision Decree No. 512/QĐ - CT People's Committee dated March 20, 2012 on approving the plan to arrange enterprises with 100% state capital in Binh Dinh province for the period 2012-2015. The company operates under the Certificate of Business Registration Joint Stock Company business code 4100258955 issued by the Department of Planning and Investment of Binh Dinh province for the first time on July 31, 2010, Changes of times and the 8th time on December 24, 2024 regarding change of residential address (combining administrative boundaries) of legal representative.

Corporation Name in a Foreign Language: Binh Dinh Water Supply And Sewerage Joint Stock Company, Initials: BIDIWASSCO.

The Company's Charter capital under the Business Registration Certificate number 4100258955, changed for the 8th time on December 24, 2024 is: 124,108,000,000 VND (In word: One hundred and twenty-four billion, one hundred and eight million dong)

The Company's stock is currently listed on the UPCoM Stock Exchange with stock code BDW

The Company's registered office is located at No. 146, Ly Thai To Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province, Vietnam.

The total number of the Company's employees as at 31/12/2024 is 369 (as at 31/12/2023 is 362)

1.2 Operating industries and principal activities

Business lines according to the Company's business registration:

- Water exploitation, treatment and supply (details: clean water production and trading);
- Pollution treatment and other waste management activities (details: maintenance, dredging and waste treatment of Quy Nhon city's drainage system; septic tank pumping and waste treatment);
- Architectural activities and related technical consultancy (details: design of water supply and drainage works; supervision of installation of water supply and drainage equipment; investment project consultancy);
- Installation of water supply and drainage systems, heating, air conditioning (details: purchase and sale of specialized water supply and drainage materials and equipment);
- Other specialized wholesale not elsewhere classified (details: purchase and sale of specialized water supply and drainage materials and equipment);
- Technical inspection and analysis (details: water meter inspection);
- Production of mineral water, bottled purified water;
- Production of ice;
- Drainage and wastewater treatment;
- Wholesale of other construction materials and installation equipment;
- Construction of other civil engineering works (details: construction of technical infrastructure works);
- Construction of all types of houses (details: construction of civil and industrial works).
- Transport of goods by road;
- Leasing of motor vehicles;
- Leasing of machinery, equipment and other tangible items;
- Trading in real estate, land use rights owned, used or leased by the owner.

The Company's main activities during the year: Production and trading of clean water.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

1.3 Normal operating cycle

The Company's normal operating cycle is 12 months.

1.4 The Company structure

As at 31/12/2024 the Company has dependent units as follows:

<u>Name</u>	<u>Main activities</u>	<u>Address</u>
Water Supply Enterprise No. 1	Producing and trading clean water	345/32 Nguyen Lu Street, Dap Da Ward, An Nhon Town, Binh Dinh Province
Water Supply Enterprise No. 2	Producing and trading clean water	Trung Luong Quarter, Bong Son Ward, Hoai Nhon Town, Binh Dinh Province

1.5 Statement of information comparability on the financial statements

The Board of Management ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 53/2016/TT-BTC on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Ministry of Finance. Therefore, the information and figures presented in the financial statements are comparable.

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

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

2.2 Accounting currency

The accompanying financial statements are expressed in Vietnam Dong (VND).

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Accounting System

The Company applied to Vietnamese Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT- BTC dated March 21, 2016 amending and supplementing a number of articles of Circular 200/2014/TT- BTC dated December 22, 2014.

3.2 Statements for the compliance with Accounting Standards and System

The Board of Management ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Financial Statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Below are the major accounting policies adopted by the Company in the preparation of the financial statements:

Basis of preparation of the financial statements

The attached financial statements are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and legal regulations relevant to the preparation and presentation of financial statements.

Accounting estimates

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash comprises cash on hand, bank deposits.

Cash equivalents comprise short-term deposits and highly liquid investments with an original maturity of less than 3 months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Receivables

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories comprise costs of direct materials, direct labor, and general operation (if any) incurred in bringing the inventories to their present location and conditions. The cost of inventories is determined in accordance with the weighted average method

Net realizable value is the estimated selling price of inventory items less all estimated costs of completion and costs of marketing, selling and distribution.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the history cost of inventories.

Tangible fixed assets and Depreciation

Tangible fixed assets are stated at history cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

The original cost of self-made or self-constructed tangible fixed assets includes construction costs, actual production costs incurred plus installation and trial operation costs. Expenses incurred after initial recognition are only recorded as an increase in the original cost of fixed assets if these expenses certainly increase future economic benefits from the use of that asset. Expenses incurred that do not satisfy the above conditions are recorded as production and business expenses in the year.

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

	<u>Years</u>
Buildings, structures	06 - 30
Machinery and equipment	03 - 15
Motor vehicles	06 - 30
Office equipment	03 - 10
Others	04 - 05

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets and Amortization

The Company's intangible assets are Technology. Computer software is amortized on a straight-line basis over its estimated useful life of 2-3 years

Historical costs of intangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

Prepaid expenses

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods.

The Company's prepaid expenses includes installation and replacement meter value, land rental costs, groundwater exploitation license application costs, etc.

The value of installed and replaced meters is allocated equally by the Company within 12 quarters starting from the quarter of occurrence.

Land rental is allocated by the Company according to the rental period. Costs of preparing documents and granting licenses for underground water exploitation are allocated according to the licensed period. The remaining costs are allocated over 03 years using the straight-line method.

Construction in progress

Construction in progress reflects the Properties in progress for production, leasing, administrative purposes, or for any other purposes are recognized at the historical cost. This cost includes relevant service fees, interest fees in accordance with the Company's accounting policies. Depreciation of these assets is the same as the other assets, commencing from these assets are ready for their intended use.

Payables

The account payables are monitored in details by payable terms, payable parties, original currency and other factors depending on the Company's management requirement.

The account payables include payables as trade payables, loans payable, intercompany payable and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: reflect payables of commercial nature arising from the purchase of goods, services, or assets, payables for import through trustees of which the seller is an independent entity with the Company.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and finance lease liabilities

Loans and finance lease liabilities include loans, financial leases, excluding loans in the form of bonds or preference shares with terms that the issuer is required to repurchase at a certain point in the future.

The Company monitors loan amounts and financial liabilities in details by each type and classifies them into short-term and long-term according to repayment term.

Expenses directly related to the loan are recognized to financial expenses, except for expenses incurred from a separate loan for investment, construction or production in progress, which are capitalized according to Accounting Standard "Borrowing costs"

Owners' equity

Capital is recorded according to the actual amounts invested by shareholders.

Undistributed profits are determined based on the business results after corporate income tax and the Company's profit distribution or loss settlement.

Profit after corporate income tax is distributed as dividends to shareholders after being approved by the Board of Shareholders at the Company's Annual General Meeting and after having set aside funds according to the Company's Charter..

Dividends are recognized as a liability when approved by the General Meeting of Shareholders Council.

Revenue and other income

Revenue from sale of goods and products

Revenue from sale of goods shall be recognized when it satisfies all the five (5) conditions below:

- The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- Costs related to transactions can be determined

Revenue from selling clean water

The revenue from selling clean water is determined and calculated based on the water tariff prescribed by the People's Committee of [province/city Binh Dinh] and the monthly volume of water consumed, which is determined according to the water meter of the customers.

Revenue of construction

Revenues of construction are reliably recognized in the following cases: For construction contracts stipulating that the contractor is paid according to the value of the volume performed, the revenue and expenses related to the contract are recognized in equivalent proportion to the completed work confirmed by the customer and reflected on the issued invoice .

Increases and decreases in construction volume, compensation and other revenues are recognized as revenue only when agreed with the customer

Revenues of construction are not recognized in the following cases:

- . Revenue is recognized in equivalent proportion to contract costs which is probable to be paid
- The contract costs are recognized to expenses only when they actually incur.

The revenue is recognized when the Company can obtain economic benefits from the above activities and when it is reliably measured.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost of goods sold

Cost of goods sold during the year includes cost of clean water and cost of construction services recorded in accordance with revenue during the year.

Financial expenses

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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income arising from the temporary investment of borrowings is deducted from the cost of the relevant assets..

All other borrowing costs are recognized in the Income Statement when incurred..

Current corporate income tax expense and deferred corporate income tax expense

Current income tax expenses: are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

The Company has an obligation to pay corporate income tax at the rate of 20% on taxable profits.

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

Earnings per shares

Basic earnings per shares are calculated by dividing net profit (loss) after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Related parties

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or related services (by business segment) or in providing products or services within a particular economic environment (geographical area) which is subject to risks and returns that are different from those of other segments. The Board of Management believes that the Company operates in segments according to the main business sector of clean water production and supply, other activities account for a very small proportion of the Company's operations and the Company operates in a single geographical segment, which is Binh Dinh province, Vietnam. Therefore, the Company is not required to present segment reports by business sector and geographical area according to Vietnamese Accounting Standard No. 28 - Segment reporting.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	24,941,166	17,930,422
Bank deposits	5,265,202,396	10,162,609,450
Cash equivalents	30,500,000,000	47,100,000,000
- <i>Term deposits under 3 months (i)</i>	30,500,000,000	47,100,000,000
Total	35,790,143,562	57,280,539,872

(i) Cash equivalents are term deposits with original terms from 01 to 03 months at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Dinh Branch and Joint Stock Commercial Bank for Industry and Trade of Vietnam - Binh Dinh Branch and Phu Tai Branch with interest rates from 1.6%/year to 2.9%/year (as at December 31, 2023, interest rates from 1.9%/year to 3.75%/year).

5.2 Receivables from customers

	31/12/2024	01/01/2024
	VND	VND
Short-term	12,480,697,764	15,053,954,967
Must collect water bill from customers	12,220,942,483	13,712,688,340
Others	259,755,281	1,341,266,627
Total	12,480,697,764	15,053,954,967

5.3 Repayments to suppliers

	31/12/2024	01/01/2024
	VND	VND
Short-term	892,918,000	2,635,479,000
PERNAM JSC	-	1,432,000,000
Institute of Drilling Technology	-	699,000,000
Center for Water Resources Monitoring and River Basin Development Support	144,000,000	-
DANAFast Design and Construction Consulting Co., Ltd.	176,864,000	-
Truong Thanh Construction-Mechanical Company Limited	298,600,000	-
Others	273,454,000	504,479,000
Total	892,918,000	2,635,479,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.4 Other receivables

	31/12/2024		01/01/2024	
	Book value	Allowances	Book value	Allowances
	<i>Unit: VND</i>			
Short-term	1,787,502,683	-	1,878,436,074	-
Deposits	35,993,000	-	31,099,000	-
Other receivables	1,751,509,683	-	1,847,337,074	-
<i>Advance payment for production and business materials:</i>	<i>1,723,492,071</i>	-	<i>1,820,200,755</i>	-
<i>Pham Ngoc Tan-XN1-Materials</i>	<i>619,240,266</i>	-	<i>737,259,557</i>	-
<i>Bui Quang Tu-XN2-Materials</i>	<i>504,315,266</i>	-	<i>625,628,736</i>	-
<i>Vo Van Duc-Materials</i>	<i>369,926,589</i>	-	<i>258,199,850</i>	-
<i>Others</i>	<i>230,009,950</i>	-	<i>199,112,612</i>	-
<i>+ Others</i>	<i>28,017,612</i>	-	<i>27,136,319</i>	-
Long-term	421,164,361	-	421,164,361	-
Quy Nhon City Water Supply and Sanitation Project Management Board	421,164,361	-	421,164,361	-
Total	2,208,667,044	-	2,299,600,435	-

5.5 Bad debts

	31/12/2023 (VND)			01/01/2023 (VND)		
	Original value	Allowances	Recoverable amount	Original value	Allowances	Recoverable amount
	Bad debts	430,725,343	(370,527,211)	60,198,132	703,687,204	(703,687,204)
<i>Customer Water Bill</i>	<i>386,269,716</i>	<i>(328,963,279)</i>	<i>57,306,437</i>	<i>332,797,950</i>	<i>(332,797,950)</i>	-
<i>Construction fees - Binh Dinh Provincial Traffic Project Management Board</i>	-	-	-	<i>330,482,000</i>	<i>(330,482,000)</i>	-
<i>Construction fees - Other objects</i>	<i>44,455,627</i>	<i>(41,563,932)</i>	<i>2,891,695</i>	<i>40,407,254</i>	<i>(40,407,254)</i>	-
Total	430,725,343	(370,527,211)	60,198,132	703,687,204	(703,687,204)	-

5.6 Inventories

	31/12/2024		01/01/2024	
	Original value	Allowances	Original value	Allowances
	<i>Unit: VND</i>			
Raw materials	13,356,554,996	-	14,292,487,731	-
Tools and supplies	297,921,628	-	312,114,206	-
Work in progress	1,214,604,362	-	41,965,491	-
Total	14,869,080,986	-	14,646,567,428	-

BINH DINH WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANYNo. 146, Ly Thai To Street, Quang Trung Ward,
Quy Nhon City, Binh Dinh Province, Vietnam**Form B 09 - DN**Issued under Circular No.200/2014/TT-BTC
22nd December 2014 of the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

5.7 Tangible fixed assets

	Buildings and Structures	Machinery, equipment	Transportation means	Office equipment	Others	Total
HISTORY COST						
As at 01/01/2024	79,927,021,798	95,917,688,987	725,289,941,426	3,035,009,393	264,245,720	904,433,907,324
Increase	10,132,663,947	21,020,216,874	30,970,809,569	241,000,000	-	71,364,690,390
Purchase	-	71,250,000	-	241,000,000	-	312,250,000
Increase due to completion of basic construction	10,132,663,947	20,948,966,874	39,442,062,569	-	-	70,523,693,390
Others(1)	-	-	528,747,000	-	-	528,747,000
Decrease	163,755,281	60,782,219	10,102,257	502,453,030	-	737,092,787
Disposal	-	-	-	502,453,030	-	502,453,030
Others(2)	163,755,281	60,782,219	10,102,257	-	-	234,639,757
As at 31/12/2024	89,895,930,464	116,877,123,642	765,250,648,738	2,773,556,363	264,245,720	975,061,504,927
ACCUMULATED DEPRECIATION						
As at 01/01/2024	51,265,200,709	56,854,103,559	451,443,783,065	2,083,976,376	264,245,720	561,911,309,429
Increase	4,804,315,489	8,878,482,265	36,431,263,087	440,677,047	-	50,554,737,888
Depreciation	4,804,315,489	8,878,482,265	36,431,263,087	440,677,047	-	50,554,737,888
Decrease	117,990,563	43,789,341	7,636,194	502,453,030	-	671,869,128
Disposal	-	-	-	502,453,030	-	502,453,030
Others(2)	117,990,563	43,789,341	7,636,194	-	-	169,416,098
As at 31/12/2024	55,951,525,635	65,688,796,483	487,867,409,958	2,022,200,393	264,245,720	611,794,178,189
NET BOOK VALUE						
As at 01/01/2024	28,661,821,089	39,063,585,428	273,846,158,361	951,033,017	-	342,522,597,895
As at 31/12/2024	33,944,404,829	51,188,327,159	277,383,238,780	751,355,970	-	363,267,326,738

(1): Value of assets received from the People's Committee of Binh Dinh province according to Decision No. 3389/QD-UBND dated September 30, 2024 of the People's Committee of Binh Dinh province

(2): Value of assets affected and replaced when implementing the Emergency Disaster Recovery Project in Ghenh Rang ward, Quy Nhon city according to Decision No. 3389/QD-UBND dated September 30, 2024 of the People's Committee of Binh Dinh province.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.7 Tangible fixed assets (Continued)

Net book value of tangible fixed assets used to secure bank loans as at 31/12/2024 is 44,170,258,255 VND (as at 31/12/2023: 48,758,421,583 VND).

History cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2024 is 208,573,875,250 VND (as at 31/12/2023: 163,958,113,522 VND).

5.8 Intangible fixed assets

	<i>Unit: VND</i>	
	<u>IT software</u>	<u>Total</u>
HISTORY COST		
As at 01/01/2024	1,010,436,800	1,010,436,800
Increase	-	-
Purchase	-	-
Decrease	-	-
As at 31/12/2024	<u>1,010,436,800</u>	<u>1,010,436,800</u>
ACCUMULATED AMORTIZATION		
As at 01/01/2024	823,884,949	823,884,949
Increase	69,666,672	69,666,672
Amortization	69,666,672	69,666,672
Decrease	-	-
As at 31/12/2024	<u>893,551,621</u>	<u>893,551,621</u>
NET BOOK VALUE		
As at 01/01/2024	<u>186,551,851</u>	<u>186,551,851</u>
As at 31/12/2024	<u>116,885,179</u>	<u>116,885,179</u>

The historical cost of intangible fixed assets which have been fully amortized but still in use is 801,436,800 VND (as at December 31, 2023: 801,436,800 VND)

5.9 Construction in progress

	<u>31/12/2024</u>	<u>01/01/2024</u>
	<u>VND</u>	<u>VND</u>
Supplementing raw water sources for Phu Tai Water Treatment Plant	-	6,868,534,224
Domestic water supply plant in Nhon Hoa ward, An Nhon town	-	7,717,448,732
Water booster pumping station for Nhon Hoi Economic Zone and Nhon Ly commune (*)	512,690,000	512,690,000
D250 cast iron water supply pipeline connecting Binh Dinh Ward and Nhon Hoa Ward	196,508,333	-
Others	261,315,204	517,863,028
Total	<u>970,513,537</u>	<u>15,616,535,984</u>

(*) This project has only incurred initial project costs such as: appraisal costs, consulting costs for preparing the Technical Economic Report, consulting costs for examination, consulting costs for topographic survey, etc. This project is in the process of implementation..

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.10 Prepaid expenses

	31/12/2024	01/01/2024
	VND	VND
Long-term	26,005,393,860	19,946,127,301
Customer meter replacement costs	15,300,855,413	10,209,135,209
Customer water system installation costs	7,818,233,909	7,849,460,496
Water exploitation license costs	1,549,178,156	1,264,269,907
Land rental costs	505,713,500	521,587,500
Other costs	831,412,882	101,674,189
Total	26,005,393,860	19,946,127,301

5.11 Trade payables

	<i>Unit: VND</i>			
	31/12/2024		01/01/2024	
	Book value	Repayable amount	Book value	Repayable amount
Short-term	32,716,381,187	32,716,381,187	23,156,528,239	23,156,528,239
Senco Binh Dinh Water Supply One Member Co., Ltd.	8,201,966,354	8,201,966,354	8,264,765,277	8,264,765,277
Viet Water And Environment Solutions Company Limited	7,803,615,000	7,803,615,000	-	-
Viet Urban Consulting And Investment Corporation	-	-	6,482,445,000	6,482,445,000
Others	16,710,799,833	16,710,799,833	8,409,317,962	8,409,317,962
Total	32,716,381,187	32,716,381,187	23,156,528,239	23,156,528,239

5.12 Prepayments from customers

	31/12/2024	01/01/2024
	VND	VND
	219,192,224	149,473,493
Minh Hieu Construction Company Limited	-	92,600,000
Quy Nhon City Land Fund Development and Investment Project Management Board	134,068,000	-
Others	85,124,224	56,873,493
Total	219,192,224	149,473,493

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.13 Taxes and receivables from, payables to the State Treasury

	<i>Unit: VND</i>			
	01/01/2024	Additions	Paid	31/12/2024
Payables	3,595,604,373	22,038,747,199	23,271,215,309	2,363,136,263
VAT (*)	324,122,618	4,542,694,590	4,495,890,011	370,927,197
Corporate income tax	2,589,888,713	9,059,783,053	10,308,668,234	1,341,003,532
Natural resource tax	340,771,250	4,135,114,750	4,158,100,250	317,785,750
Fee, charges and other payables	340,821,792	4,301,154,806	4,308,556,814	333,419,784
Receivables	1,017,054,548	4,014,081,003	3,539,561,306	542,534,851
VAT	13,348,826	2,910,536,975	2,898,085,526	897,377
Personal income tax	1,003,705,722	1,103,544,028	641,475,780	541,637,474

(*) VAT of drainage service is collected by the Company and paid to the State budget according to Decision 3637/QD-UBND dated October 2, 2023 of Binh Dinh Provincial People's Committee..

5.14 Other payables

	31/12/2024	01/01/2024
	VND	VND
Short-term	8,246,312,367	18,580,106,639
<i>Environmental protection fee</i>	158,706,491	185,480,228
<i>Dividend payables</i>	21,161,250	11,180,635,500
<i>Drainage and wastewater treatment service fees (1)</i>	6,434,669,649	5,930,648,671
<i>Excess deducted personal income tax</i>	1,202,664,400	1,282,791,630
<i>Others</i>	429,110,577	550,610
Long-term	68,204,338,569	69,271,538,569
Quy Nhon City Water Supply and Sanitation Project Management Board (2)	64,049,356,443	64,049,356,443
Binh Dinh Environment Joint Stock Company (2)	2,554,173,704	2,554,173,704
Vietnam Development Bank - Binh Dinh Branch (3)	1,600,808,422	2,668,008,422
Total	76,450,650,936	87,851,645,208

(1) The fee for drainage and wastewater treatment services is collected through water bills according to Decision No. 3637/QD-UBND dated October 2, 2023 of the People's Committee of Binh Dinh province (effective from November 1, 2023). The Company collects on behalf of the water bill, is entitled to the collection service fee according to regulations and submits it according to the instructions of the Department of Finance in Official Dispatch No. 1220/STC-QLNS dated May 6, 2020 on instructions for paying fees collected from drainage and wastewater treatment services in Quy Nhon city.

(2) Amounts payable to the Quy Nhon City Water Supply and Sanitation Project Management Board and Quy Nhon Urban Environment Joint Stock Company with the amounts of VND 64,049,356,443 and VND 2,554,173,704 respectively related to the project under the second water supply and sanitation project for 7 cities/towns of Tuyen Quang, Ninh Binh, Vinh, Dong Hoi, Dong Ha, Quy Nhon and Ben Tre, invested in according to Decision No. 789/TTg dated October 26, 1996 of the Prime Minister and Decision approving adjustment No. 500/QD-BXD dated March 18, 1999 of the Ministry of Construction. The assets received for handover of the above project since 2001 according to Decision No. 1421/QD-UB dated May 21, 2001 of the People's Committee of Binh Dinh province, however, the project is still waiting for final settlement approval. The above payables will be processed after the competent authority approves the project finalization.

(3) Amount payable to Binh Dinh Development Bank from loan interest and management fees during the project grace period: 00022067- Water Supply and Sanitation 7 City Town. Details of the loan contract are presented in note 5.15.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.15 Borrowings and finance lease liabilities

Unit: VND

	31/12/2024		During the year			01/01/2024
	Carrying value	Repayable amount	Increase	Decrease	Carrying value	Repayable amount
a. Short-term borrowings	18,436,421,000	18,323,797,000	18,436,421,000	17,867,038,000	17,867,038,000	17,867,038,000
Long-term debt due	18,436,421,000	18,323,797,000	18,436,421,000	17,867,038,000	17,867,038,000	17,867,038,000
Vietnam Development Bank - Binh Dinh Branch - Quy Nhon City Water Supply and Sanitation Project - 110 billion (1)	7,336,450,000	7,336,450,000	7,336,450,000	7,336,450,000	7,336,450,000	7,336,450,000
Vietnam Development Bank - Binh Dinh Branch - Quy Nhon City Water Supply and Sanitation Project - 13 billion(2)	703,008,000	703,008,000	703,008,000	703,008,000	703,008,000	703,008,000
Vietnam Development Bank - Binh Dinh Branch - Project 9TT (3)	7,228,375,000	7,228,375,000	7,228,375,000	6,621,728,000	6,621,728,000	6,621,728,000
Binh Dinh Development Investment Fund - North Ha Thanh River Project - Phase 2	-	-	-	37,264,000	37,264,000	37,264,000
Binh Dinh Development Investment Fund - Thi Nai Bridge Project(4)	1,057,364,000	1,057,364,000	1,057,364,000	1,057,364,000	1,057,364,000	1,057,364,000
Binh Dinh Development Investment Fund - KV7, 8 Bui Thi Xuan (5)	1,111,924,000	999,300,000	1,111,924,000	1,111,924,000	1,111,924,000	1,111,924,000
Binh Dinh Development Investment Fund - HTCN KCN Becamex Project (6)	999,300,000	999,300,000	999,300,000	999,300,000	999,300,000	999,300,000
Long-term borrowings	28,400,175,321	28,400,175,321	-	18,436,421,000	46,836,596,321	46,836,596,321
Vietnam Development Bank - Binh Dinh Branch - Quy Nhon City Water Supply and Sanitation Project - 110 billion (1)	3,668,285,600	3,668,285,600	-	7,336,450,000	11,004,735,600	11,004,735,600
Vietnam Development Bank - Binh Dinh Branch - Quy Nhon City Water Supply and Sanitation Project - 13 billion(2)	703,027,721	703,027,721	-	703,008,000	1,406,035,721	1,406,035,721
Vietnam Development Bank - Binh Dinh Branch - Project 9TT (3)	-	-	-	7,228,375,000	7,228,375,000	7,228,375,000
Binh Dinh Development Investment Fund - Thi Nai Bridge Project(4)	6,079,857,000	6,079,857,000	-	1,057,364,000	7,137,221,000	7,137,221,000
Binh Dinh Development Investment Fund - KV7, 8 Bui Thi Xuan (5)	11,953,190,000	11,953,190,000	-	1,111,924,000	13,065,114,000	13,065,114,000
Binh Dinh Development Investment Fund - HTCN KCN Becamex Project (6)	5,995,815,000	5,995,815,000	-	999,300,000	6,995,115,000	6,995,115,000
Total	46,836,596,321	46,723,972,321	18,436,421,000	36,303,459,000	64,703,634,321	64,703,634,321

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.15 Borrowings and finance lease liabilities (Continued)

- (1) ODA loan agreement No. 507V.000.102 dated June 18, 2008 with the Development Bank - Binh Dinh Branch. Loan amount 110,046,760,600 VND, loan term 25 years, loan interest rate 5%/year (including management fee 0.2%), penalty interest 150% of loan interest rate during term. Investment loan for Quy Nhon City Water Supply and Sanitation project;
- (2) ODA loan agreement No. 507V.000.050 dated January 11, 2010 with the Development Bank - Binh Dinh Branch. Loan amount 13,708,675,721 VND, loan term 25 years, loan interest rate 0%/year, management fee 0.2%/year. Investment loan for Quy Nhon City Water Supply and Sanitation project;
- (3) Framework debt agreement for ODA loan with Vietnam Development Bank - Binh Dinh Branch dated October 10, 2006, with loan amount of 5,323,312 USD, loan and debt currency is Vietnamese Dong. Loan interest rate 3%/year, loan fee 0.2%/year. Investment loan for the Water Supply Project of 9 towns in Binh Dinh province according to the Re-loan Agreement between the Ministry of Finance and Binh Dinh Water Supply and Drainage Company in April 2006.
- (4) Credit contract No. 03/2017/HDTD-QDTPT dated July 6, 2017. Loan amount is 11,366,677,000 VND, loan term is 13 years, from the date of receiving the first loan until the loan is fully paid. Loan interest rate within the term (calculated on the outstanding loan balance within the term): 7%/year. Purpose of use: To invest in and renovate the clean water supply pipeline through Thi Nai Bridge. The collateral is the asset formed from the loan capital.
- (5) Credit contract No. 02/2019/HDTD-QDTPT dated September 4, 2019 and appendix No. 02/2021/PLHDTD-QDTPT dated May 10, 2021 with Binh Dinh Development Investment Fund. The loan amount is 14,733,000,000 VND, the loan to invest in the Project "Clean water supply system for Bui Thi Xuan Industrial Cluster and households in areas 7 and 8 of Bui Thi Xuan Ward, Quy Nhon City". The loan term is 183 months, the grace period is 2 years, the principal repayment period is 159 months. The loan interest rate is 7%/year. The mortgaged assets are all future assets of the Investment Project to build a clean water supply system for Bui Thi Xuan Industrial Cluster and households in areas 7 and 8 of Bui Thi Xuan Ward, Quy Nhon City.
- (6) Credit Contract No. 02/2021/HDTD-QDTPT dated November 26, 2021 with Binh Dinh Development Investment Fund. The loan amount is VND 7,994,415,000, the loan term is 120 months, the grace period is 24 months, the loan interest rate is 7%/year, the principal is paid from December 2024. Project Investment Loan: "Water supply system for Becamex Binh Dinh Industrial Park with a capacity of 2,900m³/day and night. The mortgaged assets are all future assets of the Project to invest in the construction of a water supply system for Becamex Binh Dinh Industrial Park with a capacity of 2,900m³/day and night.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.16 Owners' equity

a. Changes of owners' equity

Unit: VND

	Share capital	Development and Investment Fund	Retained profits	Total
As at 01/01/2023	124,108,000,000	15,373,342,368	34,321,650,646	173,802,993,014
Profit in the previous year	-	-	45,020,989,183	45,020,989,183
Extract from development investment fund in 2023 (1)	-	4,502,099,000	(4,502,099,000)	-
Bonus and welfare fund deduction for 2023 (1)	-	-	(15,218,316,000)	(15,218,316,000)
Additional dividend payment for 2022	-	-	(1,861,620,000)	(1,861,620,000)
Provisional dividend payment for 2023 (1)	-	-	(11,169,720,000)	(11,169,720,000)
As at 31/12/2023	124,108,000,000	19,875,441,368	46,590,884,829	190,574,326,197
As at 01/01/2024	124,108,000,000	19,875,441,368	46,590,884,829	190,574,326,197
Profit in the this year	-	-	35,904,572,211	35,904,572,211
Extract from development investment fund in 2023 (1)	-	8,545,994,183	(8,545,994,183)	-
Dividend payment 2023 (1)	-	-	(5,584,860,000)	(5,584,860,000)
Extract from development investment fund (2)	-	17,567,070,646	(17,567,070,646)	-
Dividend payment (2)	-	-	(14,892,960,000)	(14,892,960,000)
As at 31/12/2024	124,108,000,000	45,988,506,197	35,904,572,211	206,001,078,408

(1) The Company distributes 2023 profits according to Resolution No. 04/NQ-ĐHĐCĐ dated April 26, 2024 of the General Meeting of Shareholders of Binh Dinh Water Supply and Sewerage Joint Stock Company, specifically:

- Development investment fund: VND 13,048,093,183.
- Bonus and welfare fund: equivalent to VND 15,218,316,000, of which:
 - + Bonus and welfare fund: VND 14,881,878,000.
 - + Bonus fund for business managers: VND 336,438,000.
- Dividend distribution: VND 16,754,580,000.

(2): The Company distributes profits according to Resolution No. 08/NQ-ĐHĐCĐ dated September 20, 2024 of the Extraordinary General Meeting of Shareholders of Binh Dinh Water Supply and Sewerage Joint Stock Company (in the form of collecting written opinions). Specifically:

- Development investment fund: VND 17,567,070,646.
- Dividend distribution: VND 14,892,960,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.16 Owners' equity (Continued)

b. Details of owners' equity

	31/12/2024	01/01/2024
	VND	VND
State capital contribution (Binh Dinh Development Investment Fund)	63,295,080,000	63,295,080,000
Mr. Duong Tien Dung	6,205,400,000	6,205,400,000
Thuy Anh Water Supply Sewerage Joint Stock	30,901,310,000	30,901,310,000
Others	23,706,210,000	23,706,210,000
Total	124,108,000,000	124,108,000,000

c. Capital transactions with shareholders and appropriation of profits and dividends

	In 2024	In 2023
	VND	VND
Shareholder's capital		
Opening balance	124,108,000,000	124,108,000,000
Increased during the period	-	-
Closing balance	124,108,000,000	124,108,000,000
Dividend, Profit distribution	20,477,820,000	11,169,720,000

d. Shares

	31/12/2024	01/01/2024
	Shares	Shares
Quantity of registered shares	12,410,800	12,410,800
Quantity of issued shares	12,410,800	12,410,800
Common shares	12,410,800	12,410,800
Purchased shares	-	-
Common shares	-	-
Outstanding shares	12,410,800	12,410,800
Common shares	12,410,800	12,410,800
Par value of outstanding share (VND/ share)	10,000	10,000

5.17 Funding sources

	31/12/2024	01/01/2024
	VND	VND
Fixed assets received from Binh Dinh Provincial People's Committee	27,095,243,322	26,566,496,322
An Nhon Town People's Committee supports investment in water supply system	24,585,095,000	20,400,095,000
Total	51,680,338,322	46,966,591,322



BINH DINH WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

No. 146, Ly Thai To Street, Quang Trung Ward,
Quy Nhon City, Binh Dinh Province, Vietnam

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18 Off Balance Sheet Items

5.18.1 Assets held in custody

Pursuant to document No. 605/UB-CN dated March 28, 2002 on approving the value of water pipes and accessories granted to Phu Phong water plant, now transferred to Binh Dinh Water Supply and Drainage Company, the assets to be kept in custody are detailed as follows:

MS	Materials	Specifications	Status	Unit	Quantity
1	Pump and accessories 1. Horizontal 2-intake pump and spare parts 2. SP seal 3. SP crane bearing 4. SP shaft sleeve 5. SP housing (bearing) Accessories in set	Q=500m ³ /h; H=50;	Normal Normal Normal Normal Normal Normal	Set Set Set Set Set	3 6 3 3 3
2	Accessories in set 1. 01 set of gauge flanges, washers, bolts and nuts for suction head (size M24), discharge head (size M22) 2. 6 foundation bolts (size M22) 3. 1 compound gauge and 1 pressure gauge.1 machine 4. 1 special tool set for each code including: 01 wrench, 01 hook wrench, 01 base gasket		Normal Normal Normal Normal	Set Piece Set Set	3 18 3 1
3	Vertical shaft pump and separate accessories 1. SP pump bearing 2. SP seal 3. SP O-ring 4. Firm plate	Q=200m ³ /h; H=50;	Normal Normal Normal Normal	Set Set Set Set	2 2 2 4
4	Accessories in set 1. 01 set of gauge flanges, washers, bolts and nuts 2. 1 compound gauge with faucet 3. 2 electric poles with 18.25m cable 4. 4 M24 size foundation bolts 5. 01 tool set for each code including: 1 12in TQ wrench, 1 silver closing tool 6. Pump impeller (2 pieces) 7. Pump base (2 pieces) 8. Water lift pipe + pump rod		Normal Normal Normal Normal Normal Normal Normal Normal	Set Set Piece Piece Set Set Package Package Package	2 2 4 8 1 1 1 1



BINH DINH WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

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No. 146, Ly Thai To Street, Quang Trung Ward,
 Quy Nhon City, Binh Dinh Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18 Off Balance Sheet Items (Continued)

5.18.1 Assets held in custody (Continued)

MS	Materials	Specifications	Status	Unit	Quantity
5	Vertical shaft pump and separate accessories 1. SP pump bearing 2. SP seal 3. SP O-ring 4. Secure plate	Q=180m ³ /h; H=50;	Normal	Set	3
6	Accessories in set 1. 01 set of meter flange, washer, bolt and nut 2. 1 compound meter with tap 3. 2 electric poles with 23.75m cable 4. 4 M24 size foundation bolts		Normal	Set	3
7	5. 01 tool set for each code including: 1 12in TQ wrench, 1 silver closing tool 6. Pump impeller (3 pieces) 7. Pump base (3 pieces) 8. Water lift pipe + pump rod Starter board and 4 foundation bolts 1. SP- Bulb 2. SP- Fuse 3. Clock	110KW-380v 1,2kw 110kw 110kw/h	Normal	Set Package Package Set Piece Piece	1 1 1 3 3 6
8	Starter board and 4 foundation bolts 1. SP- Bulb 2. SP- Fuse 3. SP- Control panel 4. Clock	45kw-380v 1,2kw 45kw 45kw	Normal	Set Set Set Piece Piece	5 5 5 5 5
		45kw-380v	Normal	Set	5

BINH DINH WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

No. 146, Ly Thai To Street, Quang Trung Ward,
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18 Off Balance Sheet Items (Continued)**5.18.1 Assets held in custody (Continued)**

MS	Materials	Specifications	Status	Unit	Quantity
9	Laboratory equipment				
	1. PH test additive type SP		Broken	Set	1
	2. PH meter type SP-PH		Normal	Piece	1
	3. Laboratory equipment in the set		Normal	Set	1
	- 01 PH meter, Horiba D12		Normal	Piece	1
	- 01 conductivity meter, Horiba ES12		Normal	Piece	1
	- 01 turbidity meter Hash, 2100P		Normal	Piece	1
	- 01 microbalance, Pretica 240A		Normal	Piece	1
	- 01 Memmert-SLM 500 steam sterilizer		Normal	Piece	1
	- 01 Stuart-SW-1 test bottle		Normal	Piece	1
	- 01 Memmert-WB-7 conductive water bottle		Normal	Piece	1
	- 01 Bibby clean water supply bottle, D400		Normal	Piece	1
	- 01 Memmert BE 500 drying oven		Normal	Piece	1
	- 02 stirrers with hot plates, PCM, 502-C2		Normal	Piece	1
	- 01 Trutmaure 2340 autoclave		Normal	Piece	2
	- 01 Shibata residual chlorine measuring set		Normal	Piece	1
	- 01 Carbolite CFW furnace 12/5/91		Normal	Piece	1
	- Chemicals		Broken	Set	1
	- Other consumer materials		Broken	Set	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18.2 Bad debt resolved

	31/12/2024	01/01/2024
Bad Debts Settled	VND	VND
Over 3 years	444,619,535	444,619,535
Total	444,619,535	444,619,535

6 ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

6.1 Revenue from sales of goods and provision of services

	In 2024	In 2023
	VND	VND
Revenue from clean water sales	279,418,827,600	267,412,025,900
Revenue from construction activities	5,814,717,700	5,667,949,349
Total	285,233,545,300	273,079,975,249
Revenue deductions	8,392,500	34,684,159
Sale return	8,392,500	34,684,159
Net revenues	-	-
Revenue from clean water sales	279,410,435,100	267,387,374,700
Revenue from construction activities	5,814,717,700	5,657,916,390
Total	285,225,152,800	273,045,291,090

6.2 Cost of goods sold

	In 2024	In 2023
	VND	VND
Cost of goods and services	180,313,435,275	160,195,421,161
Cost of construction	3,799,235,692	3,702,698,626
Total	184,112,670,967	163,898,119,787

6.3 Financial income

	In 2024	In 2023
	VND	VND
Interest income from deposits	877,329,300	1,627,491,525
Total	877,329,300	1,627,491,525

6.4 Financial expenses

	In 2024	In 2023
	VND	VND
Interest expense	2,280,955,100	2,948,069,098
Total	2,280,955,100	2,948,069,098



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6.5 Selling expenses and General and administrative expenses

	In 2024	In 2023
	VND	VND
Selling expenses	35,640,879,308	30,799,252,873
Employee expenses	13,669,842,000	13,461,864,000
Cost of installation and replacement of meter for	19,894,450,348	15,461,763,468
Others	2,076,586,960	1,875,625,405
General and administrative expenses	22,547,434,460	22,944,148,604
Employee expenses	15,322,008,000	15,358,542,000
Provision expenses	(333,159,993)	-
Others	7,558,586,453	7,585,606,604
Total	58,188,313,768	53,743,401,477

6.6 Other income/ Other expenses

	In 2024	In 2023
	VND	VND
Other income		
Revenue from asset leasing	1,123,193,000	1,123,193,000
Retained environmental protection fee for domestic wastewater	419,645,839	468,494,894
Liquidation of recovered materials	900,290,909	470,142,727
Retained drainage and wastewater treatment service fee	1,987,338,593	1,321,559,338
Others	327,142,034	174,080,385
Total	4,757,610,375	3,557,470,344
Other expenses	-	-
Asset leasing expenses	1,027,642,998	1,028,614,392
Remaining value of damaged assets	65,223,659	-
Others	220,930,719	223,780,013
Total	1,313,797,376	1,252,394,405
Other income/Other expenses (Net)	3,443,812,999	2,305,075,939

6.7 Production and business expenses by factors

	In 2024	In 2023
	VND	VND
Raw material expenses	118,738,815,297	96,499,775,776
Employee expenses	53,762,321,537	53,179,939,305
Amortization and Depreciation expenses	49,596,856,429	45,531,291,689
Provision expenses	(333,159,993)	-
Outsourcing expenses	8,907,574,317	8,739,244,674
Other cash expenses	12,468,056,026	13,733,235,311
Total	243,140,463,613	217,683,486,755



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6.8 Current corporate income tax expense

	In 2024	In 2023
	VND	VND
Total net profit before tax	44,964,355,264	56,388,268,192
Adjustments increase	334,560,000	448,126,852
- <i>Invalid costs</i>	334,560,000	448,126,852
Adjustments decrease	-	-
Taxable income	45,298,915,264	56,836,395,044
Corporate Income Tax rate	20%	20%
Current corporate income tax expense	9,059,783,053	11,367,279,009
Current corporate income tax expense	9,059,783,053	11,367,279,009

6.9 Basic earnings per share

	In 2024	In 2023
	VND	VND
Profit after corporate income tax (VND)	35,904,572,211	45,020,989,183
<i>Adjustments increase</i>	-	-
<i>Adjustments decrease</i>	-	15,218,316,000
+ <i>Bonus and welfare fund (*)</i>	-	15,218,316,000
Profit used to calculate basic earnings per share	35,904,572,211	29,802,673,183
Average number of outstanding shares in the year (share)	12,410,800	12,410,800
Basic earnings per share (VND/share)	2,893	2,401



(*): At the reporting date, the Company has not yet reliably estimated the amount of profit for the 2024 fiscal year that can be allocated to the bonus, welfare, and executive board bonus funds. If the Company allocates the bonus, welfare, and executive board bonus funds for the 2024 fiscal year, the net profit attributable to shareholders and basic earnings per share will decrease.

7. OTHER INFORMATION

7.1 Information of related parties

In the year, the Company has transactions with related parties as follows:

Related parties	Relations
Members of the Board of Directors, Board of Supervisors, Board of Directors, other managers and Close individuals in the families of these members	Significant influence

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

7.1 Information of related parties (Continued)

Income of the Board of Management and Remuneration of the Board of Directors, Supervisors

Related parties	Relations
Members of the Board of Directors, Board of Supervisors, Board of Directors, other managers and Close individuals in the families of these members	Significant influence

In Which:

Full name	Title	In 2024 VND	In 2023 VND
Nguyen Van Chau	Chairman of the Board	607,860,499	593,938,502
Le Tien Dung	Board Member, Director	556,300,499	538,194,502
Le Thanh Cuong	Board Member, Deputy Director	512,536,499	492,412,502
Nguyen Nguyen Hoai Vien	Deputy Director	499,376,499	480,926,502
Phan Dinh Tan	Board Member	142,781,500	135,538,028
Ngo Thi Hong Van	Board Member	142,781,500	135,538,028
Tran Nguyen Hanh Lan	Head of the Supervisory Board	509,707,748	491,545,751
Huynh Thi Giao	Board Member	109,071,500	102,465,372
Ha Phu Cuong	Board Member	109,071,500	102,465,372

7.2 Comparative figures

Comparative figures on the balance sheet and related notes are taken from the financial statements for the year ended 31 December 2023 which are audited by CPA VIETNAM Auditing Company Limited – A Member of INPACT.

Preparer



Nguyen Thi Phuong Tra

Chief Accountant



Dang Hoang Trung

Binh Dinh, February 06, 2025

**Chairman of the board
of Directors**



Nguyen Van Chau



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