

COMBINED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024

BA RIA - VUNG TAU
WATER SUPPLY
JOINT STOCK COMPANY

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Ba Ria - Vung Tau Water Supply Joint Stock Company (hereinafter referred to as “the Company”) presents this statement together with the Combined Financial Statements for the fiscal year ended 31 December 2024.

Business highlights

Ba Ria - Vung Tau Water Supply Joint Stock Company is an enterprise equitized from Ba Ria - Vung Tau Water Supply Company Limited (transformed from a State-owned Enterprise – Ba Ria - Vung Tau Water Supply Company under the Decision No. 1855/QĐ.UB dated 14 June 2005 of the Chairman of Ba Ria – Vung Tau Province People’s Committee) under the Decision No. 1755/QĐ-UBND dated 26 May 2008 of the Chairman of Ba Ria – Vung Tau Province People’s Committee. The Company has been operating in line with the Business Registration Certificate No. 4903000479, registered for the first time on 17 November 2007 and amended for the 22nd time on 26 August 2024, granted by Ba Ria – Vung Tau Province Department of Planning and Investment.

On 29 November 2017, the Company’s stocks were officially listed on Upcom under the stock code of BWS.

Head office

- Address : No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province.
- Tel. : (84-254) 3 838 324
- Fax : (84-254) 3 833 636

The Company has the following affiliates:

<u>Affiliates</u>	<u>Address</u>
Construction Enterprise	No. 359 Nguyen An Ninh Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province
Vung Tau Water Supply Enterprise	No. 359 Nguyen An Ninh Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province
Ba Ria Water Supply Branch	No. 4 Dien Bien Phu Street, Phuoc Hung Ward, Vung Tau City, Ba Ria – Vung Tau Province
Long Dien Water Supply Enterprise	Lo Voi T-intersection, Long Hai Town, Long Dien District, Ba Ria – Vung Tau Province
Branch of Ba Ria - Vung Tau Water Supply Joint Stock Company – Water Production and Supply Service Enterprise	Quarter 4, Phuoc Hung Ward, Ba Ria City, Ba Ria – Vung Tau Province

Principal business activities of the Company as in the Business Registration Certificate are:

- Producing and supplying clean water for daily activities, production, service and commerce;
- Producing specialized products used for water supply and drainage;
- Constructing water supply and drainage works, civil, industrial and traffic works;
- Trading specialized products for water supply and drainage products;
- Providing tourism services and sports activities;
- Designing water supply and drainage works;
- Maintaining road, filling, patching, and repairing road surfaces and sidewalks;
- Mechanical processing;
- Providing computer software for water supply system management, providing services of user manual setting and warranty;
- Providing maintenance, repair and operation services for water supply plants;
- Inspecting cold water meters as prescribed by statutory requirements.



BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY**STATEMENT OF THE BOARD OF MANAGEMENT (cont.)****Board of Management and Executive Board**

The Board of Management and the Executive Board of the Company during the year and as of the date of this statement include:

The Board of Management

Full name	Position	Appointing/reappointing date
Mr. Dinh Chi Duc	Chairman	Reappointed on 11 June 2023
Mr. Nguyen Luong Dien	Vice Chairman	Reappointed on 11 June 2023
Mr. Vo Van Binh	Member	Reappointed on 11 June 2023
Ms. Le Minh Duc	Member	Reappointed on 11 June 2023
Mr. Nguyen Tien Lang	Member	Reappointed on 11 June 2023
Mr. Nguyen Canh Tung	Member	Reappointed on 11 June 2023
Mr. Pham Tan Luan	Member	Reappointed on 11 June 2023
Ms. Vo Thi Nha	Member	Reappointed on 11 June 2023
Ms. Tran Khanh Linh	Member	Appointed on 11 June 2023

The Supervisory Board

Full name	Position	Appointing/reappointing date
Mr. Nguyen Quoc Huy	Head of the Board	Appointed on 11 June 2023
Ms. Nguyen Thi Hoang Ngoc	Member	Reappointed on 11 June 2023
Ms. Nguyen Y Minh	Member	Reappointed on 11 June 2023

The Board of Directors

Full name	Position	Appointing/reappointing date
Mr. Nguyen Luong Dien	General Director	Reappointed on 11 June 2023
Ms. Vo Thi Nha	Deputy General Director	Appointed on 05 September 2024
Mr. Nguyen Tien Lang	Deputy General Director	Reappointed on 11 June 2023
Mr. Nguyen Canh Tung	Deputy General Director	Reappointed on 11 June 2023

Legal Representatives

The Company's legal representatives during the year and as of the date of this statement are as follows:

Full name	Position	Reappointing date
Mr. Dinh Chi Duc	Chairman	Reappointed on 11 June 2023
Mr. Nguyen Luong Dien	General Director	Reappointed on 11 June 2023

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Combined Financial Statements for the fiscal year ended 31 December 2024.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for the preparation of the Combined Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Combined Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Combined Financial Statements;
- prepare the Combined Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Combined Financial Statements.

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BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

The Board of Directors hereby ensures that all the proper accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Combined Financial Statements.

Approval of the Financial Statements

The Board of Management hereby approves the accompanying Combined Financial Statements, which give a true and fair view of the financial position as of 31 December 2024 of the Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

For and on behalf of the Board of Management,



Dinh Chi Duc
Chairman

Date: 24 February 2025



A&C AUDITING AND CONSULTING CO., LTD.

Head Office : 02 Truong Son St., Ward 2, Tan Binh Dist., Ho Chi Minh City, Vietnam

Branch in Ha Noi : 40 Giang Vo St., Dong Da Dist., Ha Noi City, Vietnam

Branch in Nha Trang : Lot STH 06A.01, St. No.13, Le Hong Phong II Urban Area, Phuoc Hai Ward, Nha Trang City, Vietnam

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No. 1.0192/25/TC-AC

INDEPENDENT AUDITOR'S REPORT

**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS
BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY**

We have audited the accompanying Combined Financial Statements of Ba Ria - Vung Tau Water Supply Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 24 February 2025 (from page 07 to page 38), including the Combined Balance Sheet as of 31 December 2024, the Combined Income Statement, the Combined Cash Flow Statement for the fiscal year then ended and the Notes to the Combined Financial Statements.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the preparation, true and fair presentation of the Combined Financial Statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements; and responsible for the internal control as the Company's Board of Directors determines necessary to enable the preparation and presentation of the Combined Financial Statements to be free from material misstatement whether due to fraud or error.

Responsibility of Auditors

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

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

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

Opinion of Auditors

In our opinion, the Combined Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2024 of Ba Ria - Vung Tau Water Supply Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

Emphasis of matters

Without qualifying our opinion above, we would like to draw the readers' attention to Note No. VII.1 in the Notes to the Combined Financial Statements regarding the Company's contingent liability. According to Official Letter No. 11768/UBND-VP dated 04 December 2017 of Ba Ria – Vung Tau Province People's Committee, the Company has payment liability of forest services for 2011 - 2015 period through the provincial Forest Development and Protection Fund and these payments for forest service during this period must be included into the Company's production costs of the year incurring the payment. Currently, the Company has received no official announcements of the amount payable for that period, it accordingly has not recognized the liability obligation in the Combined Financial Statements.

Additionally, the Company has not received any announcements of specific repayment schedule and outstanding balance of the long-term loan from Vietnam Development Bank and the Ministry of Finance (see Note No. V.18b). Therefore, the Company may incur interest thereon.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Ho Van Tung
Partner

Audit Practice Registration Certificate No. 0092-2023-008-1
Authorized Signatory



Luong Anh Vu
Auditor

Audit Practice Registration Certificate No. 1832-2023-008-1

Ho Chi Minh City, 24 February 2025

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		367.364.467.665	237.648.617.329
I. Cash and cash equivalents	110	V.1	152.568.157.770	30.268.141.068
1. Cash	111		8.268.157.770	12.268.141.068
2. Cash equivalents	112		144.300.000.000	18.000.000.000
II. Short-term financial investments	120		152.135.000.000	86.235.000.000
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	152.135.000.000	86.235.000.000
III. Short-term receivables	130		13.647.449.247	53.486.986.129
1. Short-term trade receivables	131	V.3	8.777.559.002	9.581.321.226
2. Short-term prepayments to suppliers	132	V.4	2.035.029.460	2.072.230.679
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	41.000.000.000
6. Other short-term receivables	136	V.5	3.238.327.035	1.525.730.978
7. Allowance for short-term doubtful debts	137	V.6	(403.466.250)	(692.296.754)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		45.047.924.181	55.945.585.290
1. Inventories	141	V.7	45.047.924.181	55.945.585.290
2. Allowance for devaluation of inventories	149		-	-
V. Other current assets	150		3.965.936.467	11.712.904.842
1. Short-term prepaid expenses	151		-	-
2. Deductible VAT	152		-	752.963.376
3. Taxes and other receivables from the State	153	V.14	3.965.936.467	10.959.941.466
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

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BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		893.663.140.246	876.393.434.944
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		749.524.201.893	760.157.758.815
1. Tangible fixed assets	221	V.9	748.598.586.401	759.093.197.819
- Historical cost	222		1.984.009.340.802	1.927.756.971.177
- Accumulated depreciation	223		(1.235.410.754.401)	(1.168.663.773.358)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	925.615.492	1.064.560.996
- Initial cost	228		3.158.462.319	3.158.462.319
- Accumulated amortization	229		(2.232.846.827)	(2.093.901.323)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		42.393.613.627	38.256.356.412
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.11	42.393.613.627	38.256.356.412
V. Long-term financial investments	250		55.469.788.884	55.469.788.884
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2b	28.591.417.984	28.591.417.984
3. Investments in other entities	253	V.2b	26.878.370.900	26.878.370.900
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		46.275.535.842	22.509.530.833
1. Long-term prepaid expenses	261	V.8	46.275.535.842	22.509.530.833
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		1.261.027.607.911	1.114.042.052.273

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		194.017.131.091	69.359.751.815
I. Current liabilities	310		190.085.490.141	65.113.579.589
1. Short-term trade payables	311	V.12	5.214.645.351	12.383.353.865
2. Short-term advances from customers	312	V.13	3.152.618.000	2.000.050.000
3. Taxes and other obligations to the State Budget	313	V.14	10.229.785.335	3.804.189.111
4. Payables to employees	314	V.15	33.548.308.977	31.790.948.596
5. Short-term accrued expenses	315	V.16	2.734.191.428	856.632.076
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.17	119.901.192.237	4.977.366.798
10. Short-term borrowings and financial leases	320	V.18a	5.661.562.993	5.347.031.717
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.19	9.643.185.820	3.954.007.426
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		3.931.640.950	4.246.172.226
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.18b	3.931.640.950	4.246.172.226
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
D - OWNER'S EQUITY	400		1.067.010.476.820	1.044.682.300.458
I. Owner's equity	410		1.067.010.476.820	1.044.682.300.458
1. Owner's capital	411	V.20	1.000.075.690.000	900.000.000.000
- Ordinary shares carrying voting rights	411a		1.000.075.690.000	900.000.000.000
- Preferred shares	411b		-	-
2. Share premiums	412		-	-
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.20	54.800.708.798	116.668.156.620
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.20	12.134.078.022	28.014.143.838
- Retained earnings accumulated to the end of the previous period	421a		9.629.031.577	28.014.143.838
- Retained earnings of the current period	421b		2.505.046.445	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		1.261.027.607.911	1.114.042.052.273



Nguyen Thi Nhung
Chief Accountant/Preparer



Ba Ria - Vung Tau, 24 February 2025

Nguyen Luong Dien
General Director

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and provisions of services	01	VI.1	744.580.341.694	682.500.956.634
2. Revenue deductions	02		-	-
3. Net revenue	10		744.580.341.694	682.500.956.634
4. Cost of sales	11	VI.2	308.552.678.608	324.717.561.503
5. Gross profit	20		436.027.663.086	357.783.395.131
6. Financial income	21	VI.3	24.742.197.182	36.662.256.038
7. Financial expenses	22		-	-
In which: Loan interest expenses	23		-	-
8. Selling expenses	25	VI.4	83.291.358.446	62.719.523.327
9. General and administration expenses	26	VI.5	93.119.716.595	75.437.707.538
10. Net operating profit	30		284.358.785.227	256.288.420.304
11. Other income	31	VI.6	11.822.589.609	12.659.922.056
12. Other expenses	32	VI.7	11.501.987.101	10.925.514.654
13. Other profit	40		320.602.508	1.734.407.402
14. Total accounting profit before tax	50		284.679.387.735	258.022.827.706
15. Current income tax	51	V.14	29.957.773.212	25.540.514.661
16. Deferred income tax	52		-	-
17. Profit after tax	60		<u>254.721.614.523</u>	<u>232.482.313.045</u>
18. Basic earnings per share	70	VI.8a	<u>2.227</u>	<u>2.015</u>
19. Diluted earnings per share	71	VI.8a	<u>2.227</u>	<u>2.015</u>



Nguyen Thi Nhung
Chief Accountant/Preparer



Ba Ria - Vung Tau, 24 February 2025

Nguyen Luong Dien
General Director

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED CASH FLOW STATEMENT**(Indirect method)****For the fiscal year ended 31 December 2024**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		284.679.387.735	258.022.827.706
2. Adjustments				
- Depreciation/(Amortization) of fixed assets and investment properties	02	V.9, V.10	98.292.130.359	113.656.576.338
- Provisions and allowances	03	V.6	(288.830.504)	692.296.754
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/(loss) from investing activities	05	VI.3	(24.699.104.218)	(35.698.654.913)
- Interest expenses	06		-	-
- Others	07		-	-
3. Operating profit before changes of working capital	08		357.983.583.372	336.673.045.885
- Increase/(decrease) of receivables	09		8.001.861.732	(271.812.896)
- Increase/(decrease) of inventories	10		10.897.661.109	(8.722.993.176)
- Increase/(decrease) of payables	11		14.010.536.009	6.115.079.298
- Increase/(decrease) of prepaid expenses	12		(23.766.005.009)	(19.790.780.577)
- Increase/(decrease) of trading securities	13		-	-
- Interest paid	14		-	-
- Corporate income tax paid	15	V.14	(23.028.365.553)	(40.471.731.370)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.19	(26.695.933.867)	(27.673.516.700)
Net cash flows from operating activities	20		317.403.337.793	245.857.290.464
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.4, V.9 V.11, V.12	(93.858.411.938)	(70.690.114.216)
2. Proceeds from disposals of fixed assets and other non-current assets	22		-	18.181.818
3. Cash outflow for lending, buying debt instruments of other entities	23		(334.900.000.000)	(133.200.000.000)
4. Cash recovered from lending, selling debt instruments of other entities	24		310.000.000.000	87.800.000.000
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.5, VI.3	23.092.417.247	35.769.280.919
Net cash flows from investing activities	30		(95.665.994.691)	(80.302.651.479)

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Cash Flow Statement (cont.)

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayment for loan principal	34		-	-
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.17, V.20a	(99.437.326.400)	(204.411.701.440)
<i>Net cash flows from financing activities</i>	40		<u>(99.437.326.400)</u>	<u>(204.411.701.440)</u>
Net cash flows during the year	50		122.300.016.702	(38.857.062.455)
Beginning cash and cash equivalents	60	V.1	30.268.141.068	69.125.203.523
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>152.568.157.770</u>	<u>30.268.141.068</u>



Nguyen Thi Nhung
Chief Accountant/Preparer



Ba Ria - Vung Tau, 24 February 2025

Nguyen Luong Dien
General Director

BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION**1. Ownership form**

Ba Ria - Vung Tau Water Supply Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company.

2. Operating fields

The Company has operated in various fields.

3. Principal business activities

Principal business activities of the Company are to produce and supply clean water for daily activities, production, service and commerce; to construct water supply works.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Structure of the Company**Associates**

Associate	Address	Principal business activities	Capital contribution rate	Ownership rate	Voting rate
Phu My Water Supply Joint Stock Company	No. 02 Doc Lap Street, Tan Ngoc Quarter, Phu My Ward, Phu My City, Ba Ria – Vung Tau Province	Producing clean water	16,69%	16,69%	16,69%
Vung Tau Sports Joint Stock Company (formerly known as OSC Tourism Sports Joint Stock Company)	No. 262 Le Loi Street, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province	Providing tourism services	35%	35%	35%

Affiliates that are not legal entities and cannot do accounting works independently

Affiliates	Address
Construction Enterprise	No. 359 Nguyen An Ninh Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province
Vung Tau Water Supply Enterprise	No. 359 Nguyen An Ninh Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province
Ba Ria Water Supply Branch	No. 4 Dien Bien Phu Street, Phuoc Hung Ward, Vung Tau City, Ba Ria – Vung Tau Province
Long Dien Water Supply Enterprise	Lo Voi T-intersection, Long Hai Town, Long Dien District, Ba Ria – Vung Tau Province
Branch of Ba Ria - Vung Tau Water Supply Joint Stock Company – Water Production and Supply Service Enterprise	Quarter 4, Phuoc Hung Ward, Ba Ria City, Ba Ria – Vung Tau Province

6. Statement of information comparability on the Combined Financial Statements

The corresponding figures of the previous year can be comparable with figures of the current year.

7. Headcount

As of the balance sheet date, the Company’s headcount is 430 (headcount at the beginning of the year: 434).

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Company is from 01 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is Vietnamese dong (VND) because transactions of the Company are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Combined Financial Statements.

2. Statement of the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Combined Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Combined Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

The Company's affiliates have their own accounting sections but cannot do the accounts recording independently. The Combined Financial Statements of the whole Company are prepared on the basis of the combination of the Financial Statements of the Company's affiliates. Revenue and balances between affiliates are excluded when the Combined Financial Statements are prepared.

2. Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

3. Financial investments

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note) and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.



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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interest incurred prior to the Company's acquisition of held-to-maturity investments is deducted to the costs as at the acquisition time.

When there is reliable evidence proving that a part or the whole investment cannot be recovered and the loss is reliably determined, the loss is recognized as financial expenses during the period while the investment value is derecognized.

Loans

Loans are measured at costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

Investments in associates

An associate is an entity which the Company has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

Initial recognition

Investments in associates are initially recognized at costs, including the cost of acquisition or capital contributions plus other directly attributable transaction cost. In case of investment in non-monetary assets, the costs of the investment are recognized at the fair value of non-monetary assets at the arising time.

Dividends incurred prior to the acquisition of investments are deducted to the investment costs. Dividends incurred after the acquisition of investments are recorded into the Company's financial income. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in associates

Provisions for impairment of investments in associates are made when the associates suffer from losses at the rate equal to the difference between the actual capital invested by investors in associates and the actual owner's equity multiplying (x) by the ownership rate of the charter capital actually contributed by the Company in associates. If the associates are consolidated into Consolidated Financial Statements, the basis for impairment provisions is the Consolidated Financial Statements.

Increases/(decreases) in the provisions for impairment of investments in associates as of the balance sheet date are recorded into financial expenses.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Company to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of acquisition plus other directly attributable transaction costs. Dividends incurred prior to the acquisition of investments are deducted into investment costs. Dividends incurred after the acquisition of investments are recorded into the Company's financial income. Particularly, the dividends paid in form of shares are not recorded as an increase in costs, but the increases in quantity of shares is followed up.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made based on the losses suffered by investees, with the amount defined by the difference between owners' actual contributed capital and the total owners' equity as of the balance sheet date multiplied (x) by the Company's rate of charter capital owning in these investees.

Increases/(decreases) in the provisions for impairment of investments in equity instruments of other entities as of the balance sheet date are recorded into financial expenses.

4. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

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

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for overdue debts:
 - 30% of the value of debts overdue between 6 months and less than 1 year.
 - 50% of the value of debts overdue between 1 year and less than 2 years.
 - 70% of the value of debts overdue between 2 years and less than 3 years.
 - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

5. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and tools: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs comprise costs of main materials, labor and other directly relevant costs.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for devaluation of inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for devaluation of inventories as of the balance sheet date are recorded into costs of sales.

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COMBINED FINANCIAL STATEMENTS

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Notes to the Combined Financial Statements (cont.)

6. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Company mainly include expenses of tools, repair expenses and expenses of water meter replacement. These prepaid expenses are allocated over the period in which corresponding benefits are realized.

Expenses of tools

Expenses of tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 3 years.

Repair expenses

Repair expenses incurred once with high value are allocated into expenses in accordance with the straight-line method in 3 years.

Expenses of water meter replacement

Expenses of water meter replacement monthly incurred are allocated into expenses in accordance with the straight-line method in 36 months.

7. Tangible fixed assets

Tangible fixed assets are determined by their historical costs 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. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

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.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period applied is as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 - 25
Machinery and equipment	03 - 05
Vehicles	03 - 10
Office equipment	02 - 06

8. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Company) directly related to assets under construction and machinery and equipment under installation to serve for production, leasing, and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.

9. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

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Notes to the Combined Financial Statements (cont.)

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Combined Balance Sheet on the basis of their remaining term as of the balance sheet date.

10. Owner's capital

The contributed capital is recorded according to the actual amounts invested by shareholders.

11. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders and Notice of dividend payment of the Board of Management.

12. Recognition of revenue and income

Revenue from clean water supply

Revenue from clean water supply is recorded monthly on the basis of the volume of water (m³) consumed by customers (which is defined by taking water meter index at the end of the period less water meter index at the beginning of the period) multiplied by the unit price decided by Ba Ria Vung Tau Province People's Committee from time to time.

Revenue from provisions of services

Revenue from provisions of services shall be recognized when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, the revenue is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Company received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of revenue is done on the basis of the volume of work done as of the balance sheet date.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.



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Notes to the Combined Financial Statements (cont.)

Dividends shared

Dividends shared are recognized when the Company has the right to receive dividends from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity of shares is followed up.

13. Construction contracts

Construction contract is a contract agreed for acquisition of an asset or combined assets closely relevant or mutually dependent on their design, technology, function or basic using purpose.

When the outcome of the construction contracts is estimated reliably,

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the Company itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.

Increases/(decreases) in revenue of the works done, compensation receivable and other receivables are only recognized upon the agreement with customers.

When the outcome of the construction contracts cannot be estimated reliably,

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

The difference between the accumulated revenue from the construction contract already recognized and the accumulated amount in the invoices according to the planned progress of contract is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

14. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

15. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

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Notes to the Combined Financial Statements (cont.)

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

16. 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 Company in case that party is under the same control or is subject to the same material effects.

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

17. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Combined Financial Statements of the Company.

18. Financial instruments

Financial assets

The classification of financial assets depends on their nature and purposes and is determined at the date of initial recognition. The financial assets of the Company include cash and cash equivalents, trade receivables, other receivables, and listed and non-listed financial instruments.

At the date of initial recognition, financial assets are recognized at cost plus other costs directly related to the acquisition or issuance of those financial assets.

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Notes to the Combined Financial Statements (cont.)***Financial liabilities***

The classification of financial liabilities depends on their nature and purposes and is determined at the date of initial recognition. The financial liabilities of the Company include trade payables, borrowings, and other payables.

At the date of initial recognition, financial liabilities are recorded at cost less other costs directly related to those financial liabilities.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the Company after deducting all of its liabilities.

Offsetting financial instruments

Financial assets and financial liabilities will be offset against each other and reflected at their net values in the Combined Balance Sheet when, and only when, the Company:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED BALANCE SHEET**1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	1.356.143.373	2.548.139.704
Demand deposits in banks	6.912.014.397	9.720.001.364
Cash equivalents (*)	144.300.000.000	18.000.000.000
Total	<u>152.568.157.770</u>	<u>30.268.141.068</u>

(*) This item reflects bank deposits of which the principal maturity is from 3 months or less.

2. Financial investments

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

2a. Held-to-maturity investments

This item reflects bank deposits of which the remaining term is less than 12 months.

2b. Investments in other entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original costs</u>	<u>Provisions</u>	<u>Original costs</u>	<u>Provisions</u>
<i>Investments in associates</i>	<u>28.591.417.984</u>	-	<u>28.591.417.984</u>	-
Phu My Water Supply Joint Stock Company ⁽ⁱ⁾	25.791.417.984	-	25.791.417.984	-
Vung Tau Sports Joint Stock Company (formerly known as OSC Tourism Sports Joint Stock Company) ⁽ⁱⁱ⁾	2.800.000.000	-	2.800.000.000	-
<i>Investments into other entities</i>	<u>26.878.370.900</u>	-	<u>26.878.370.900</u>	-
Chau Duc Water Supply Shareholding Company ⁽ⁱⁱⁱ⁾	21.534.000.000	-	21.534.000.000	-
Vung Tau Environment Services and Urban Project Joint Stock Company ^(iv)	5.344.370.900	-	5.344.370.900	-
Total	<u>55.469.788.884</u>	-	<u>55.469.788.884</u>	-

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Notes to the Combined Financial Statements (cont.)

- (i) The Company invested in Phu My Water Supply Joint Stock Company an amount of VND 25.791.417.984, equivalent to 8.346.064 shares, accounting for 16,69% of charter capital.
- (ii) The Company invested in Vung Tau Sports Joint Stock Company (formerly known as OSC Tourism Sports Joint Stock Company) an amount of VND 2.800.000.000, equivalent to 280.000 shares, accounting for 35% of charter capital.
- (iii) The Company invested in Chau Duc Water Supply Shareholding Company an amount of VND 21.534.000.000, equivalent to 2.940.300 shares, accounting for 5,35% of charter capital.
- (iv) The Company invested in Vung Tau Environment Services and Urban Project Joint Stock Company an amount of VND 5.344.370.900, equivalent to 515.803 shares, accounting for 9,55% of charter capital.

Fair value

The Company has not measured the fair value of the investments because there is no specific instruction on measurement of fair value.

Operation of associates

The associates have been in the normal operation and have not experienced any significant change against the previous year.

Transactions with associates

Significant transactions between the Company and its associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Phu My Water Supply Joint Stock Company</i>		
Dividends payable	10.135.196.000	10.489.467.400
Dividends shared	8.346.063.550	20.030.553.600
Service provisions	64.814.815	64.814.815
Construction and installation service provisions	40.840.944	6.843.746.993
Advances for construction costs	3.196.726.220	-

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivables for water supply from customers	8.345.677.407	8.352.292.683
Receivables for construction and installation services from customers	431.881.595	1.229.028.543
Total	<u>8.777.559.002</u>	<u>9.581.321.226</u>

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Duy Bao Technology Service Trading Joint Stock Company	845.640.000	225.180.000
Far East Yachts Company Limited	269.386.560	310.906.036
An Binh Full Construction Commercial Services Company Limited	290.000.000	813.699.000
Other suppliers	630.002.900	722.445.643
Total	<u>2.035.029.460</u>	<u>2.072.230.679</u>

In which, ending balance of prepayments to suppliers in relation to construction investment is VND 290.000.000 (beginning balance: VND 770.161.000).

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Notes to the Combined Financial Statements (cont.)

5. Other short-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Advances	140.000.000	-	200.000.000	-
Term deposit interest to be received	2.917.431.342	-	1.310.744.371	-
Other short-term receivables	180.895.693	-	14.986.607	-
Total	3.238.327.035	-	1.525.730.978	-

6. Doubtful debts

	Overdue period	Ending balance		Overdue period	Beginning balance	
		Original amount	Recoverable amount		Original amount	Recoverable amount
Trade receivables for water supply						
	Less than 1 year	-	-	Less than 1 year	167.557.489	117.290.242
	From 1 year to less than 2 years	-	-	From 1 year to less than 2 years	169.154.935	84.577.468
	From 2 years to less than 3 years	-	-	From 2 years to less than 3 years	140.449.935	42.134.981
	More than 3 years	403.466.250	-	More than 3 years	459.137.085	-
Total		403.466.250	-		936.299.444	244.002.690

Changes in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	692.296.754	962.964.000
Allowances made	-	692.296.754
Reversal of allowances	(288.830.504)	-
Writing off	-	(962.964.000)
Ending balance	403.466.250	692.296.754

7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	33.840.804.056	-	36.958.321.473	-
Tools	1.018.133.148	-	61.106.204	-
Work-in-process	10.188.986.977	-	18.926.157.613	-
Total	45.047.924.181	-	55.945.585.290	-

8. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	2.617.381.449	1.480.173.296
Expenses of fixed asset repairs	7.442.494.209	2.874.553.103
Expenses of water meter replacement	32.537.115.115	17.829.919.434
Other long-term prepaid expenses	3.678.545.069	324.885.000
Total	46.275.535.842	22.509.530.833

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Notes to the Combined Financial Statements (cont.)

9. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	529.196.148.811	114.852.346.649	1.274.345.585.038	9.362.890.679	1.927.756.971.177
Completed construction	5.706.661.013	3.067.077.706	78.884.834.718	-	87.658.573.437
Liquidation, disposal	(8.575.363.363)	(5.289.518.941)	(14.842.914.344)	(2.698.407.164)	(31.406.203.812)
Ending balance	<u>526.327.446.461</u>	<u>112.629.905.414</u>	<u>1.338.387.505.412</u>	<u>6.664.483.515</u>	<u>1.984.009.340.802</u>
<i>In which:</i>					
Assets fully depreciated but still in use	176.410.353.105	91.698.771.432	608.695.507.872	4.938.369.996	881.743.002.405
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	221.794.981.809	102.952.012.725	835.934.410.447	7.982.368.377	1.168.663.773.358
Depreciation during the year	23.479.187.418	4.090.412.763	70.313.599.326	269.985.348	98.153.184.855
Liquidation, disposal	(8.575.363.363)	(5.289.518.941)	(14.842.914.344)	(2.698.407.164)	(31.406.203.812)
Ending balance	<u>236.698.805.864</u>	<u>101.752.906.547</u>	<u>891.405.095.429</u>	<u>5.553.946.561</u>	<u>1.235.410.754.401</u>
Net book values					
Beginning balance	307.401.167.002	11.900.333.924	438.411.174.591	1.380.522.302	759.093.197.819
Ending balance	<u>289.628.640.597</u>	<u>10.876.998.867</u>	<u>446.982.409.983</u>	<u>1.110.536.954</u>	<u>748.598.586.401</u>
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

10. Intangible fixed assets

	Land use right	Computer software	Total
Initial costs			
Beginning balance	550.000.000	2.608.462.319	3.158.462.319
Ending balance	<u>550.000.000</u>	<u>2.608.462.319</u>	<u>3.158.462.319</u>
<i>In which:</i>			
Assets fully amortized but still in use	-	1.913.734.819	1.913.734.819
Amortization			
Beginning balance	-	2.093.901.323	2.093.901.323
Amortization during the year	-	138.945.504	138.945.504
Ending balance	<u>-</u>	<u>2.232.846.827</u>	<u>2.232.846.827</u>
Net book values			
Beginning balance	550.000.000	514.560.996	1.064.560.996
Ending balance	<u>550.000.000</u>	<u>375.615.492</u>	<u>925.615.492</u>
<i>In which:</i>			
Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

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Notes to the Combined Financial Statements (cont.)

11. Construction-in-progress

	Beginning balance	Increases during the year	Inclusion into fixed assets during the year	Other decreases	Ending balance
Acquisition of fixed assets	-	7,033,156,127	(6,648,718,092)		384,438,035
Construction-in-progress	38,256,356,412	98,439,047,899	(81,009,855,345)	(13,676,373,374)	42,009,175,592
- Pipeline D1200-1000 from Ho Da Den Plant to roundabout 51B	12,147,550,593	2,550,271,333	(14,697,821,926)	-	-
- Clean Water Transmission Pipeline D400 on Nguyen An Ninh Street and Tran Phu Street	11,146,031,418	12,065,061,733	(22,988,588,774)	(222,504,377)	-
- Other projects	14,962,774,401	83,823,714,833	(43,323,444,645)	(13,453,868,997)	42,009,175,592
Large repair of fixed assets	-	721,464,880	-	(721,464,880)	-
Total	38,256,356,412	106,193,668,906	(87,658,573,437)	(14,397,838,254)	42,393,613,627

12. Short-term trade payables

	Ending balance	Beginning balance
Far East Yachts Company Limited	1,740,722,694	2,038,683,421
Tay Bac Construction Company Limited	-	2,535,389,623
Mr. Vu Hung Manh	1,331,881,510	628,749,850
Mr. Nguyen Van Tuan	706,057,456	395,430,750
Mr. Duong Duy Khoe	696,382,840	377,640,460
Other suppliers	739,600,851	6,407,459,761
Total	5,214,645,351	12,383,353,865

In which, ending balance of trade payables in relation to acquisition of fixed assets is VND 32,663,300 (beginning balance: VND 2,575,405,586).

The Company has no overdue trade payables.

13. Short-term advances from customers

	Ending balance	Beginning balance
<i>Advances from related party</i>	3,152,618,000	-
Phu My Water Supply Joint Stock Company	3,152,618,000	-
<i>Advances from other customers</i>	-	2,000,050,000
Mei Sheng Textiles Vietnam Co., Ltd.	-	2,000,000,000
Other customers	-	50,000
Total	3,152,618,000	2,000,050,000

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14. Taxes and other obligations to the State Budget

	Beginning balance		Increases during the year		Ending balance	
	Payables	Receivables	Amount		Payables	Receivables
			payable	Amount paid		
VAT on local sales	-	-	27.983.554.979	(26.148.410.170)	1.835.144.809	-
Corporate income tax (*)	-	10.923.106.152	29.985.535.238	(23.028.365.553)	-	3.965.936.467
Personal income tax	316.711.296	-	14.093.330.963	(13.152.832.632)	1.257.209.627	-
Natural resource tax	6.101.529	-	59.030.989	(57.169.469)	7.963.049	-
Land rental	-	-	4.222.869.807	(4.222.869.807)	-	-
Other taxes	-	-	9.000.000	(9.000.000)	-	-
Fees, legal fees, and other duties	3.481.376.286	36.835.314	90.928.134.412	(87.243.207.534)	7.129.467.850	-
Total	3.804.189.111	10.959.941.466	167.281.456.388	(153.861.855.165)	10.229.785.335	3.965.936.467

(*) Corporate income tax payable during the year includes:

- Current corporate income tax	29.957.773.212
- Overpaid corporate income tax of the previous years of which reasons are not defined awaiting treatment	27.762.026
Total	29.985.535.238

Value added tax (VAT)

The Company has to pay VAT in accordance with the deduction method. The VAT rates applied are as follows:

- Water supply	05%
- Other services	10%

(From 01 January 2024 to 31 December 2024, some goods and services shall be applied VAT rate of 8% according to the Government's Decrees No. 94/2023/NĐ-CP dated 28 December 2023 and No. 72/2024/NĐ-CP dated 30 June 2024)

Corporate income tax (CIT)

Since 2018, the Company has paid corporate income tax at the rate of 10% for income from water production since the Company meets the requirements for type, criteria, scale, and standards for socialized entities operating in the environmental field.

Income from other activities is subject to the corporate income tax at the rate of 20%.

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit before tax	284.679.387.735	258.022.827.706
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- Increases	5.074.860.610	2.918.951.685
Income subject to tax	289.754.248.345	260.941.779.391
Income exempted from tax	(14.587.726.100)	(26.272.213.500)
Taxable income	275.166.522.245	234.669.565.891
Corporate income tax rate	20%	20%
Corporate income tax payable at common tax rate	55.033.304.449	46.933.913.178
Differences due to the application of rate other than common tax rate	(25.638.769.871)	(21.829.257.304)
Adjustments of corporate income tax of the previous years	563.238.634	435.858.787
Corporate income tax to be paid	29.957.773.212	25.540.514.661

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Determination of corporate income tax liability of the Company is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Combined Financial Statements can be changed upon the inspection of tax authorities.

Natural resource tax

The Company has to pay natural resource tax imposed on underground water exploitation at the following tax rates:

- Underground water exploitation for production	03%
- Underground water exploitation for other purposes	01%

Land rental

The Company has to pay land rental as announced by Ba Ria – Vung Tau Province Tax Department.

Fees, legal fees, and other duties

The fee applied to wastewater from daily activities is charged at the rate of 10% of the current water price charged by the Water Supply Company for tap water users. The entire wastewater fee must be paid to the State Budget after deducting the charges for fee collection, i.e. which are 10% of the total wastewater fee according to the Decision No. 59/2013/QĐ-UBND dated 31 December 2013 of the Chairman of Ba Ria – Vung Tau Province People’s Committee.

The industrial wastewater fee has to be paid as announced by Ba Ria – Vung Tau Province Department of Natural Resources and Environment.

Other taxes

The Company has declared and paid these taxes in line with the prevailing regulations.

15. Payables to employees

Salary fund is established on the basis of the pay rate of VND 2.000/m³ of commercial water according to the Decision No. 03-2017/BBH-HĐQT dated 08 July 2017 of the Board of Management.

16. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Leave pay	1.965.433.000	-
Accruals for Forest Development and Protection Fund	743.281.760	708.807.632
Other short-term accrued expenses	25.476.668	147.824.444
Total	<u>2.734.191.428</u>	<u>856.632.076</u>

17. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Payables to related parties	47.014.017.500	-
Phu My Water Supply Joint Stock Company – Dividends payable	5.574.558.000	-
Ba Ria – Vung Tau Province People’s Committee – Dividends payable	29.875.553.300	-
Ba Ria – Vung Tau Province Party Committee – Dividends payable	11.563.906.200	-

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Notes to the Combined Financial Statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to other organizations and individuals</i>	72.887.174.737	4.977.366.798
Insurance premiums	3.594.792	10.000
Receipt of short-term deposits, mortgages	1.785.724.850	1.450.724.850
Dividends, profit payable	56.145.280.560	2.588.298.560
Support and compensation ⁽ⁱ⁾	14.350.165.525	-
Wastewater fee	503.443.329	503.443.329
Other short-term payables	98.965.681	434.890.059
Total	<u>119.901.192.237</u>	<u>4.977.366.798</u>

- ⁽ⁱ⁾ This is the compensation and support according to the Decision No. 1864/QĐ-UBND dated 06 March 2024 of Vung Tau City People's Committee regarding the approval of the compensation plan for the Company's water supply system, which is located in the construction site for upgrading and expanding Provincial Road 994 from Long Son Big House roundabout to Highway 51, and constructing road from Highway 51 to Cu Lap Bridge, Vung Tau City. According to the project progress, the Company is in the process of dismantling and relocating the existing water pipelines to hand over the construction site to Vung Tau City People's Committee.

The Company has no other overdue payables.

18. Borrowings**18a. Short-term borrowings**

This item reflects the current portion of long-term loan from Vietnam Development Bank – Vung Tau Branch (see Note No. V.18b).

The Company is solvent over short-term loan.

Details of increases/(decreases) of short-term loan during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	5.347.031.717	5.032.500.441
Transfer from long-term loans	314.531.276	314.531.276
Ending balance	<u>5.661.562.993</u>	<u>5.347.031.717</u>

18b. Long-term borrowings

The unsecured loan of VND 9.593.203.943 from Vietnam Development Bank (formerly known as Vietnam Development Support Fund) is to pay domestic consultancy fees for Ho Da Den Water Supply System project – phase I. This loan constitutes a part of the loan agreement dated 30 March 1998 between the Overseas Economic Cooperation Fund of Japan and the Government of the Socialist Republic of Vietnam, granting for the Water Supply project in Southern Vietnam (i.e. Dong Nai and Ba Ria – Vung Tau Provinces). According to this agreement, the loan repayment schedule is 30 years, from 20 March 2008, including two installments per year, falling due on 20 March and 20 September annually. Currently, the Company has not received any announcements of specific loan repayment schedule and outstanding balance from Vietnam Development Bank and the Ministry of Finance as well.

The Company is solvent over long-term loans.

Repayment schedule of long-term loans is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
1 year or less	5.661.562.993	5.347.031.717
More than 1 year to 5 years	1.258.125.104	1.258.125.104
More than 5 years	2.673.515.846	2.988.047.122
Total debts	<u>9.593.203.943</u>	<u>9.593.203.943</u>

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Notes to the Combined Financial Statements (cont.)

Details of increases/(decreases) of long-term loans during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	4.246.172.226	4.560.703.502
Transfer to short-term loans	(314.531.276)	(314.531.276)
Ending balance	<u>3.931.640.950</u>	<u>4.246.172.226</u>

19. Bonus and welfare funds

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	3.954.007.426	1.527.524.126
Increase due to appropriation from profit	32.385.112.261	30.100.000.000
Disbursement during the year	(26.695.933.867)	(27.673.516.700)
Ending balance	<u>9.643.185.820</u>	<u>3.954.007.426</u>

20. Owner's equity**20a. Statement of changes in owner's equity**

	<u>Owner's capital</u>	<u>Investment and development fund</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning balance of the previous year	900.000.000.000	53.046.688.014	96.253.299.399	1.049.299.987.413
Profit in the previous year	-	-	232.482.313.045	232.482.313.045
Appropriation for funds in the previous year	-	63.621.468.606	(93.721.468.606)	(30.100.000.000)
Dividend distribution in the previous year	-	-	(207.000.000.000)	(207.000.000.000)
Ending balance of the previous year	<u>900.000.000.000</u>	<u>116.668.156.620</u>	<u>28.014.143.838</u>	<u>1.044.682.300.458</u>
Beginning balance of the current year	900.000.000.000	116.668.156.620	28.014.143.838	1.044.682.300.458
Capital increase from investment and development fund	100.075.690.000	(100.075.690.000)	-	-
Profit in the current year	-	-	254.721.614.523	254.721.614.523
Appropriation for funds during the current year	-	38.208.242.178	(70.593.354.439)	(32.385.112.261)
Dividend distribution in the previous year	-	-	(200.008.325.900)	(200.008.325.900)
Ending balance of the current year	<u>1.000.075.690.000</u>	<u>54.800.708.798</u>	<u>12.134.078.022</u>	<u>1.067.010.476.820</u>

20b. Details of owner's capital

	<u>Ending balance</u>	<u>Beginning balance</u>
Ba Ria – Vung Tau Province People's Committee	362.505.030.000	326.228.430.000
Ba Ria – Vung Tau Province Party Committee	105.126.420.000	94.606.210.000
Other shareholders	532.444.240.000	479.165.360.000
Total	<u>1.000.075.690.000</u>	<u>900.000.000.000</u>

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20c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	100.007.569	90.000.000
Number of shares sold to the public	100.007.569	90.000.000
- Common shares	100.007.569	90.000.000
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	100.007.569	90.000.000
- Common shares	100.007.569	90.000.000
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

20d. Profit distribution

According to the Resolution No. 01/NQ-ĐHĐCĐ dated 18 May 2024 of 2024 Annual General Meeting of Shareholders, the Company approved 2023 profit distribution plan as follows:

	<u>Amount distributed</u>	<u>Amount appropriated in the previous year</u>	<u>Amount appropriated in the current year</u>
• Dividend distribution in cash (18% of face value)	162.000.000.000	144.000.000.000	18.000.000.000
• Appropriation for investment and development fund (15% of 2023 profit after tax)	34.872.346.957	34.872.346.957	-
• Appropriation for bonus and welfare funds (13,5% of 2023 profit after tax)	31.385.112.261	31.000.000.000	385.112.261

During the year, the Company also temporarily appropriated the bonus and welfare funds and the investment and development fund for the respective amounts of VND 32.000.000.000 and VND 38.208.242.178 based on 2024 profit distribution plan of the General Meeting of Shareholders.

Implementing the Resolution of 2024 General Meeting of Shareholders, the Company's Board of Management approved the Resolutions No. 11/2024/HĐQT dated 27 June 2024 and No. 15/2024/HĐQT dated 16 December 2024 regarding the 1st and 2nd advances for 2024 dividends at the respective rates of 8% and 11% of face value of shares. Total dividends paid at two advances are VND 182.008.325.900.

Besides, according to the Resolution No. 01/NQ-ĐHĐCĐ dated 18 May 2024 of 2024 Annual General Meeting of Shareholders, the Company's shareholders approved the plan for share issuance from the owner's equity to increase charter capital from VND 900.000.000.000 to VND 1.000.080.000.000. The Board of Management approved the Resolution No. 07/2024/NQ-HĐQT dated 20 May 2024 regarding the implementation of the plan for share issuance from the owner's equity. On 11 July 2024, the Company completed the issuance of 10.007.569 shares to increase share capital from the investment and development fund. Accordingly, total number of outstanding shares after the share issuance is 100.007.569 shares. On 26 August 2024, the Company was granted the 22nd amended Business Registration Certificate by Ba Ria – Vung Tau Province Department of Planning and Investment, regarding the increase in charter capital from VND 900.000.000.000 to VND 1.000.075.690.000.

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Notes to the Combined Financial Statements (cont.)**21. Off-Combined Balance Sheet items**

In 2023, the Company wrote off the receivable amount of VND 962.964.000 from Khang Linh Company Limited for an amount of VND 962.964.000 due to its non-recoverability.

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED INCOME STATEMENT**1. Revenue from sales of goods and provisions of services****1a. Gross revenue**

	<u>Current year</u>	<u>Previous year</u>
Revenue from finished water supply	739.898.805.280	669.281.026.100
Revenue from construction and installation services	2.619.788.551	11.117.974.747
Revenue from provisions of services	1.980.000.000	1.980.000.000
Other revenues	81.747.863	121.955.787
Total	<u>744.580.341.694</u>	<u>682.500.956.634</u>

During the year, the intra-group revenue of services provided by Construction Enterprise to internal entities of the Company is VND 59.474.517.424 (previous year: VND 27.395.033.447).

1b. Revenue from sales of goods and provisions of services to related parties

Apart from sales of goods and service provisions to associates presented in Note No. V.2, the Company only provided operation service to Chau Duc Water Supply Shareholding Company with sales amount of VND 1.980.000.000 (previous year: VND 1.980.000.000).

2. Costs of sales

	<u>Current year</u>	<u>Previous year</u>
Costs of finished water supply	307.069.210.421	314.255.365.050
Costs of construction and installation services	1.159.257.347	10.412.043.078
Costs of service provisions	324.210.840	50.153.375
Total	<u>308.552.678.608</u>	<u>324.717.561.503</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Term deposit interest	8.956.493.187	6.146.320.772
Demand deposit interest	43.092.964	51.538.145
Interest on loan given	1.154.884.931	4.192.183.621
Dividends shared	14.587.726.100	26.272.213.500
Total	<u>24.742.197.182</u>	<u>36.662.256.038</u>

4. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	29.957.856.124	25.279.953.047
Materials, packages	17.934.248.520	8.064.624.063
Warranty expenses	6.098.594.656	1.449.822.189
Pipeline repair and renovation expenses	23.444.172.310	23.246.365.214
Other expenses	5.856.486.836	4.678.758.814
Total	<u>83.291.358.446</u>	<u>62.719.523.327</u>

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Notes to the Combined Financial Statements (cont.)

5. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	57.918.576.309	46.503.823.186
Office supplies	790.398.349	1.089.958.266
Office stationery	3.780.339.275	2.337.892.630
Depreciation/(amortization) of fixed assets	2.802.705.919	2.876.924.222
Taxes, fees and legal fees	4.533.110.581	1.415.786.538
Allowance/(Reversal of allowances) for doubtful debts	(288.830.504)	692.296.754
Hospitality expenses	6.041.019.760	5.498.188.134
Other expenses	17.542.396.906	15.022.837.808
Total	<u>93.119.716.595</u>	<u>75.437.707.538</u>

6. Other income

	<u>Current year</u>	<u>Previous year</u>
Compensation for relocation of water supply system	-	4.998.140.641
Income from liquidation of supplies	229.037.537	94.450.000
Other income	11.593.552.072	7.567.331.415
Total	<u>11.822.589.609</u>	<u>12.659.922.056</u>

7. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Loss on liquidation, disposal of fixed assets	-	912.062.980
Late tax payment	1.240.179.322	182.346.532
Costs of liquidation of supplies	-	204.036.858
Other expenses	10.261.807.779	9.627.068.284
Total	<u>11.501.987.101</u>	<u>10.925.514.654</u>

8. Earnings per share**8a. Basic/diluted earnings per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	254.721.614.523	232.482.313.045
Appropriation for bonus and welfare funds	(32.000.000.000)	(31.000.000.000)
Profit used to calculate basic/diluted earnings per share	222.721.614.523	201.482.313.045
The average number of ordinary shares outstanding during the year	100.007.569	100.007.569
Basic/diluted earnings per share	<u>2.227</u>	<u>2.015</u>

8b. Other information

On 11 July 2024, the Company completed the procedures for issuance of 10.007.569 shares to its current shareholders from the investment and development fund. The basic earnings per share of the previous year were adjusted due to effects of this event. Such adjustment caused a decrease in the basic/diluted earnings per share of the previous year from VND 2.239 down to VND 2.015.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

9. Operating costs by factors

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	119.986.326.862	122.733.191.492
Labor costs	171.699.597.698	155.857.640.628
Depreciation/(amortization) of fixed assets	98.292.130.359	113.656.576.338
Expenses for external services	42.846.654.389	47.122.855.903
Other expenses	43.401.873.705	32.865.999.029
Total	<u>476.226.583.013</u>	<u>472.236.263.390</u>

VIII. OTHER DISCLOSURES**1. Contingent liabilities**

According to Official Letter No. 11768/UBND-VP dated 04 December 2017 of Ba Ria – Vung Tau Province People’s Committee, the Company has payment liability of forest services for 2011 - 2015 period through the provincial Forest Development and Protection Fund and these payment for forest service during this period must be included into the Company’s production costs of the year incurring the payment. Currently, the Company has received no official announcements of the amount payable for that period, it accordingly has not recognized the liability obligation in the Combined Financial Statements.

Additionally, the Company has not received any announcements of specific repayment schedule and outstanding balance of the long-term loan from Vietnam Development Bank and the Ministry of Finance (see Note No. V.18b). Therefore, the Company may incur interest thereon.

2. Transactions and balances with related parties

The related parties of the Company include the key managers, their related individuals and other related parties.

2a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management, the Supervisory Board and the Executive Board (the Board of Directors and the Chief Accountant). The key managers’ related individuals are their close family members.

Transactions with the key managers and their related individuals

The Company has no sales of goods and service provisions to the key managers and their related individuals and only distributed dividends to the key managers as follows:

	<u>Current year</u>	<u>Previous year</u>
Board of Management	8.288.846.896	7.643.674.600
Board of Directors	239.396.035	210.960.000
Supervisory Board	1.782.195.739	1.709.748.600

Receivables from and payables to the key managers and their related individuals

The Company has no receivables from and payables to the key managers and their related individuals.



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Notes to the Combined Financial Statements (cont.)*Remuneration of the key managers*

	<u>Current year</u>	<u>Previous year</u>
Board of Management		
Mr. Dinh Chi Duc - Chairman	1.906.220.000	1.645.068.000
Mr. Nguyen Luong Dien - Vice Chairman	290.000.000	260.000.000
Mr. Vo Van Binh - Member	226.000.000	216.000.000
Ms. Le Minh Duc - Member	1.459.596.000	1.261.988.000
Mr. Nguyen Tien Lang - Member	236.000.000	216.000.000
Mr. Nguyen Canh Tung - Member	236.000.000	216.000.000
Mr. Nguyen Quoc Huy - Member (from 01 January 2023 to 11 June 2023)	-	108.000.000
Mr. Pham Tan Luan - Member	226.000.000	216.000.000
Ms. Vo Thi Nha - Member	1.380.011.000	1.204.636.000
Ms. Tran Khanh Linh - Member (from 11 June 2023 to present)	1.007.318.000	404.447.000
Supervisory Board		
Ms. Nguyen Thi Hanh - Head of Board (from 01 January 2023 to 11 June 2023)	-	864.571.000
Mr. Nguyen Quoc Huy - Head of Board (from 11 June 2023 to present)	226.000.000	108.000.000
Ms. Nguyen Thi Hoang Ngoc - Member	1.354.536.000	1.193.585.000
Ms. Nguyen Y Minh - Member	611.993.000	567.247.000
Executive Board		
Mr. Nguyen Luong Dien - General Director	1.599.134.000	1.386.413.000
Mr. Nguyen Tien Lang - Deputy General Director	1.507.830.000	1.312.973.000
Mr. Nguyen Canh Tung - Deputy General Director	1.513.990.000	1.312.973.000
Ms. Nguyen Thi Nhung - Chief Accountant	1.320.786.000	1.195.311.000
Total	<u>15.101.414.000</u>	<u>13.689.212.000</u>

2b. Transactions and balances with other related parties

Other related parties of the Company include:

Other related parties	Relationship
Ba Ria – Vung Tau Province People’s Committee	Major shareholder
Ba Ria – Vung Tau Province Party Committee	Major shareholder
Phu My Water Supply Joint Stock Company	Associate
Vung Tau Sports Joint Stock Company (formerly known as OSC Tourism Sports Joint Stock Company)	Associate
Chau Duc Water Supply Shareholding Company	The Company’s key managers and their related individuals are the key managers of Chau Duc Water Supply Shareholding Company
D&B Technology Service Trading Company Limited	The Company’s key manager is the key manager of D&B Technology Service Trading Company Limited
Saigon Water, Environment and Infrastructure Joint Stock Company	The key manager of Saigon Water, Environment and Infrastructure Joint Stock Company has close relationship with the Company’s Chairman

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Transactions with other related parties

Apart from the transactions with associates presented in Note No. V.2, the Company has the following transactions with other related parties:

	<u>Current year</u>	<u>Previous year</u>
<i>Ba Ria – Vung Tau Province People’s Committee</i>		
Dividends payable	72.498.396.300	75.032.538.900
<i>Ba Ria – Vung Tau Province Party Committee</i>		
Dividends payable	21.024.527.200	21.759.428.300
<i>Chau Duc Water Supply Shareholding Company</i>		
Dividends shared	5.880.600.000	5.880.600.000
Loan given	50.000.000.000	11.000.000.000
Interest on loan given	1.154.884.931	4.192.183.621
Liquidation of supplies	218.484.810	-
Purchase of goods	17.526.600	-
<i>Saigon Water, Environment and Infrastructure Joint Stock Company</i>		
Construction consultancy and supervision	562.277.379	3.062.560.212
<i>D&B Technology Service Trading Company Limited</i>		
Purchases of water supplies	7.429.094.200	6.670.841.000

The prices of merchandise and services provided to other related parties are mutually agreed prices.

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Notes No. V.13 and V.17.

The receivables from other related parties are unsecured and will be paid in cash. No allowances have been made for the receivables from other related parties.

3. Segment information

Principal business activities of the Company mainly include water production and water supply (accounting for 99,37% of gross revenue) which are taken place in the territory of Ba Ria – Vung Tau Province.

4. Financial risk management

The Company is exposed to the following financial risks: credit risk, liquidity risk and market risk. The Board of Directors is responsible for setting policies and controls to minimize financial risks as well as to monitor the implementation of such policies and controls.

4a. Credit risk

Credit risk is the risk that one contractual party will cause a financial loss for the Company by its failure to pay for its obligations.

Credit risk of the Company mainly arises from its trade receivables, cash in bank and loans.

Trade receivables

In order to control the trade receivables, the Company’s Board of Directors has released strict regulations on purchase subjects, sales limits, credit limit and credit term. The Board of Directors will inspect the conformity with these regulations on sales of goods every month. Besides, the accountant follows up the receivables regularly to speed up the recovery.

Trade receivables of the Company are related to various entities and individuals; therefore, the credit risk exposed from trade receivables is low.

Cash in bank

The Company’s term deposits and demand deposits are in the local banks. The Board of Directors does not realize any material credit risk to these deposits.

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BA RIA - VUNG TAU WATER SUPPLY JOINT STOCK COMPANY

Address: No. 14, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

The maximum credit risk level on financial assets is their carrying values (see Note No. VII.5 regarding carrying values of financial assets).

Analysis of outstanding age and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Already overdue and/ (or) devaluated	Total
Ending balance			
Cash and cash equivalents	152.568.157.770	-	152.568.157.770
Held-to-maturity investments	152.135.000.000	-	152.135.000.000
Trade receivables	8.374.092.752	403.466.250	8.777.559.002
Other receivables	3.098.327.035	-	3.098.327.035
Available-for-sale financial assets	26.878.370.900	-	26.878.370.900
Total	343.053.948.457	403.466.250	343.457.414.707
Beginning balance			
Cash and cash equivalents	30.268.141.068	-	30.268.141.068
Held-to-maturity investments	86.235.000.000	-	86.235.000.000
Trade receivables	8.645.021.782	936.299.444	9.581.3A21.226
Loans given	41.000.000.000	-	41.000.000.000
Other receivables	1.325.730.978	-	1.325.730.918
Available-for-sale financial assets	26.878.370.900	-	26.878.370.900
Total	194.352.264.728	936.299.444	195.288.564.172

Information on overdue period of trade receivables is presented in Note No. V.6.

4b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's liquidity risk mainly arises from the differences in maturity dates of financial assets and financial liabilities.

The Company controls liquidity risk by regularly following up the current payment requests as well as estimated payment requests in the future to maintain an appropriate amount of cash as well as loans, supervising the cash flows actually arisen in comparison with estimation to minimize the effects of the changes in cash flows to the Company.

The terms of payments to non-derivative financial liabilities (excluding interest payable) are based on the undiscounted payments supposed to make according to the contracts as follows:

	1 year or less	More than 1 year to 5 years	More than 5 years	Total
Ending balance				
Trade payables	5.214.645.351	-	-	5.214.645.351
Borrowings	5.661.562.993	1.258.125.104	2.673.515.846	9.593.203.943
Other payables	122.631.788.873	-	-	122.631.788.873
Total	133.507.997.217	1.258.125.104	2.673.515.846	137.439.638.167
Beginning balance				
Trade payables	12.383.353.865	-	-	12.383.353.865
Borrowings	5.347.031.717	1.258.125.104	2.988.047.122	9.593.203.943
Other payables	5.833.998.874	-	-	5.833.998.874
Total	23.564.384.456	1.258.125.104	2.988.047.122	27.810.556.682

The Board of Directors believes that the risk level associated with payments to financial liabilities is low. The Company has sufficient capacity to settle all financial obligations when they are due from its operating cash flows and from the amounts receivable from mature financial assets.

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Notes to the Combined Financial Statements (cont.)

4c. Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will change due to changes in market prices.

Market risk exposed to the operations of the Company only includes material price risk.

The Company is exposed to the risk related to changes in material prices. The Company manages the material price risk by following up the market information and related situations to control the time for purchasing materials, preparing manufacturing plan and keeping the volumes of inventories at reasonable level.

The Company has not used derivatives to hedge against material price risk.

4d. Collaterals

The Company has not had any collaterals given to or received from other entities as of 31 December 2023 and 31 December 2024.

5. Financial assets and financial liabilities**Financial assets**

Carrying values of financial assets are as follows:

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Cash and cash equivalents	152.568.157.770	-	30.268.141.068	-
Held-to-maturity investments	152.135.000.000	-	86.235.000.000	-
Trade receivables	8.777.559.002	(403.466.250)	9.581.321.226	(692.296.754)
Loans given	-	-	41.000.000.000	-
Other receivables	3.098.327.035	-	1.325.730.978	-
Available-for-sale financial assets	26.878.370.900	-	26.878.370.900	-
Total	343.457.414.707	(403.466.250)	195.288.564.172	692.296.754

Financial liabilities

Carrying values of financial liabilities are as follows:

	Ending balance	Beginning balance
Trade payables	5.214.645.351	12.383.353.865
Borrowings	9.593.203.943	9.593.203.943
Other payables	122.631.788.873	5.833.998.874
Total	137.439.638.167	27.810.556.682

Fair values

The Company has not measured fair value of financial assets and financial liabilities yet because the Circular No. 210/2009/TT-BTC dated 06 November 2009 of the Ministry of Finance as well as prevailing regulations have not provided specific guidance.

6. Subsequent events

There are no material subsequent events which are required adjustments or disclosures in the Combined Financial Statements.



Nguyen Thi Nhung
Chief Accountant/Preparer

Ba Ria - Vung Tau, 24 February 2025



Nguyen Luong Dien
General Director