

VIWACO Joint Stock Company

Financial statements

For the year ended 31 December 2024



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For the year ended 31 December 2024



VIWACO Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Independent auditors' report	3 - 4
Balance sheet	5 - 6
Income statement	7
Cash flow statement	8 - 9
Notes to the financial statements	10 - 41

VIWACO Joint Stock Company

GENERAL INFORMATION

THE COMPANY

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

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

The Company’s shares were listed on UPCOM from 26 July 2017 under trading code VAV.

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

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

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

MANAGEMENT

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

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

LEGAL REPRESENTATIVE

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

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

VIWACO Joint Stock Company

REPORT OF MANAGEMENT

Management of VIWACO Joint Stock Company (“the Company”) is pleased to present this report and the financial statements of the Company for the year ended 31 December 2024.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of the Company which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

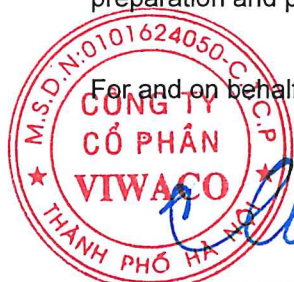
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Nguyen Huu Toi
General Director

Hanoi, Vietnam

6 March 2025

Reference: 12853504/68453201

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of VIWACO Joint Stock Company

We have audited the accompanying financial statements of VIWACO Joint Stock Company ("the Company"), as prepared on 6 March 2025 and as set out on pages 5 to 41, which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Ernst & Young Vietnam Limited



Le Duc Trung
Deputy General Director
Audit Practising Registration
Certificate No. 0816-2023-004-1



Nguyen Van Huy
Auditor
Audit Practising Registration
Certificate No. 5592-2025-004-1

Hanoi, Vietnam

6 March 2025

BALANCE SHEET
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		574,847,802,702	348,424,250,803
110	I. Cash and cash equivalents	4	490,107,863,528	212,824,837,062
111	1. Cash		19,607,863,528	22,924,837,062
112	2. Cash equivalents		470,500,000,000	189,900,000,000
120	II. Short-term investments		45,000,000,000	93,000,000,000
123	1. Held-to-maturity investments	5	45,000,000,000	93,000,000,000
130	III. Current accounts receivable		22,197,475,979	27,055,843,003
131	1. Short-term trade receivables	6.1	24,033,176,789	24,192,233,113
132	2. Short-term advances to suppliers	6.2	2,899,609,920	5,060,263,006
135	3. Short-term loan receivables		2,000,000,000	2,000,000,000
136	4. Other short-term receivables	7	1,312,062,375	3,850,719,989
137	5. Provision short-term doubtful receivables	6.1,8	(8,047,373,105)	(8,047,373,105)
140	IV. Inventories	9	17,035,058,353	14,903,572,411
141	1. Inventories		17,794,131,893	15,662,645,951
149	2. Provision for obsolete inventories		(759,073,540)	(759,073,540)
150	V. Other current assets		507,404,842	639,998,327
152	1. Deductible value-added tax		507,404,842	639,998,327
200	B. NON-CURRENT ASSETS		539,132,725,792	524,164,172,414
220	I. Fixed assets		495,521,248,959	512,659,711,272
221	1. Tangible fixed assets	10	480,682,749,022	500,955,003,022
222	Cost		1,054,354,073,558	1,015,269,957,108
223	Accumulated depreciation		(573,671,324,536)	(514,314,954,086)
224	2. Finance leases	11	10,880,016,256	11,662,196,404
225	Cost		45,232,080,362	45,232,080,362
226	Accumulated depreciation		(34,352,064,106)	(33,569,883,958)
227	3. Intangible fixed assets	12	3,958,483,681	42,511,846
228	Cost		8,174,563,494	4,131,856,755
229	Accumulated amortisation		(4,216,079,813)	(4,089,344,909)
240	II. Long-term assets in progress		23,046,912,913	11,256,094,166
242	1. Construction in progress	13	23,046,912,913	11,256,094,166
260	III. Other long-term assets		20,564,563,920	248,366,976
261	1. Long-term prepaid expenses	14	20,564,563,920	175,639,698
262	2. Deferred tax assets	27.3	-	72,727,278
270	TOTAL ASSETS		1,113,980,528,494	872,588,423,217

BALANCE SHEET (continued)
as at 31 December 2024

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		400,481,804,877	351,094,454,899
310	I. Current liabilities		313,430,760,595	238,327,822,421
311	1. Short-term trade payables	15.1	146,322,522,406	114,195,071,223
312	2. Short-term advances from customers	15.2	17,754,282,205	19,836,561,616
313	3. Statutory obligations	16	31,829,135,489	13,666,657,746
314	4. Payables to employees		60,249,928,924	41,042,081,540
315	5. Short-term accrued expenses	17	12,123,471,606	9,963,557,251
318	6. Short-term unearned revenues		-	363,636,361
319	7. Other short-term payables	18	17,855,837,046	10,805,805,496
320	8. Short-term loans and finance lease	19	26,984,772,863	27,858,141,132
321	9. Short-term provision		131,413,136	131,413,136
322	10. Bonus and welfare fund	20	179,396,920	464,896,920
330	II. Non-current liabilities		87,051,044,282	112,766,632,478
338	1. Long-term loans and finance lease	19	84,676,758,654	110,978,246,517
341	2. Deferred tax liabilities	27.3	2,374,285,628	1,788,385,961
400	D. OWNERS' EQUITY		713,498,723,617	521,493,968,318
410	I. Owner's equity	21	713,498,723,617	521,493,968,318
411	1. Share capital		320,000,000,000	320,000,000,000
411a	- Ordinary shares with voting rights		320,000,000,000	320,000,000,000
421	2. Undistributed earnings		393,498,723,617	201,493,968,318
421a	- Undistributed earnings by the end of prior year		163,093,968,318	93,268,806,803
421b	- Undistributed earnings of current year		230,404,755,299	108,225,161,515
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,113,980,528,494	872,588,423,217



Preparer
Doan Thi Minh Nga

Chief Accountant
Tran Manh Hung



Hanoi, Vietnam
6 March 2025
General Director
Nguyen Huu Toi

INCOME STATEMENT
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	22.1	1,071,342,794,002	838,631,396,149
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	1,071,342,794,002	838,631,396,149
11	4. Cost of goods sold and services rendered	23	(727,516,052,157)	(660,611,997,302)
20	5. Gross profit from sale of goods and rendering of services		343,826,741,845	178,019,398,847
21	6. Finance income	22.2	13,050,472,981	10,663,500,209
22	7. Finance expenses	24	(9,826,759,408)	(13,750,594,317)
23	<i>In which: Interest expenses</i>		(9,826,759,408)	(13,750,594,317)
25	8. Selling expenses	25	(23,715,358,076)	(24,317,370,416)
26	9. General and administrative expenses	25	(30,774,961,401)	(23,732,509,261)
30	10. Operating profit		292,560,135,941	126,882,425,062
31	11. Other income		566,798,164	953,039,614
32	12. Other expenses		(39,131,040)	(447,526,780)
40	13. Other profit		527,667,124	505,512,834
50	14. Accounting profit before tax		293,087,803,065	127,387,937,896
51	15. Current corporate income tax expense	27	(62,024,420,821)	(17,230,754,057)
52	16. Deferred tax expense	27	(658,626,945)	(1,932,022,324)
60	17. Net profit after tax		230,404,755,299	108,225,161,515
70	18. Basic earnings per share	29	7,200	3,382
71	19. Diluted earnings per share	29	7,200	3,382



Preparer
Doan Thi Minh Nga



Chief Accountant
Tran Manh Hung



Hanoi, Vietnam

6 March 2025



General Director
Nguyen Huu Toi

CASH FLOW STATEMENT
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		293,087,803,065	127,387,937,896
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and finance lease assets and amortisation of intangible fixed assets	10,11,12	63,437,702,461	60,025,931,650
05	Profits from investing activities		(13,057,726,304)	(10,663,500,209)
06	Interest expenses	24	9,826,759,408	13,750,594,317
08	Operating profit before changes in working capital		353,294,538,630	190,500,963,654
09	Decrease/(increase) in receivables		4,990,960,509	(4,310,855,419)
10	(Increase)/decrease in inventories		(2,131,485,942)	3,637,412,982
11	Increase in payables		38,570,818,944	48,492,302,035
12	(Increase)/decrease in prepaid expenses		(20,388,924,222)	508,795,179
14	Interest paid		(9,826,759,408)	(13,750,594,317)
15	Corporate income tax paid	16	(45,500,000,000)	(12,382,596,741)
17	Other cash outflows for operating activities		(285,500,000)	(1,725,300,000)
20	Net cash flows from operating activities		318,723,648,511	210,970,127,373
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(38,119,715,258)	(45,781,434,035)
22	Proceeds from disposals of fixed asset and other long-term assets		1,163,636,364	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		-	(53,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		48,000,000,000	-
27	Interest and dividends received		13,050,472,981	10,663,500,209
30	Net cash flows from/(used in) investing activities		24,094,394,087	(88,117,933,826)

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

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		-	4,070,533,633
34	Repayment of borrowings		(26,392,675,984)	(40,050,960,984)
35	Payment of principal of finance lease liabilities		(782,180,148)	(714,447,941)
36	Dividends paid	21.3	(38,360,160,000)	(38,364,200,000)
40	Net cash flows used in financing activities		(65,535,016,132)	(75,059,075,292)
50	Net increase in cash for the year		277,283,026,466	47,793,118,255
60	Cash and cash equivalents at beginning of the year		212,824,837,062	165,031,718,807
70	Cash and cash equivalents at end of the year	4	490,107,863,528	212,824,837,062

Preparer
Doan Thi Minh Nga

Chief Accountant
Tran Manh Hung



Hanoi, Vietnam

6 March 2025

General Director
Nguyen Huu Toi

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

1. CORPORATE INFORMATION

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

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

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

2. BASIS OF PREPARATION (continued)

2.3 Fiscal year

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

2.4 Accounting currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

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

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

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

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

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

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

Provision for obsolete inventories

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables*

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

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

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located, if any.

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

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

3.5 *Leased assets*

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

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

Where the Company is the lessee

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.7 *Construction in progress*

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

3.8 *Depreciation and amortisation*

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

Buildings and structures	5 - 30 years
Machinery and equipment	4 - 10 years
Means of transportation	5 - 44 years
Office equipment	5 - 10 years
Computer software	4 - 8 years

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Prepaid expenses*

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

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

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

3.11 *Payables and accruals*

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

3.12 *Investments*

Held-to-maturity investments

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

Provision for diminution in value of investments

Provision for diminution in value of the investment is made when there are reliable evidence of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Foreign currency transactions*

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

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

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

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

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

3.14 *Appropriation of net profits*

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

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

Bonus and welfare fund

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Clean water distribution revenue

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

Interest income

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

Construction contract

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

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

3.16 Taxation

Current income tax

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

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

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

Deferred tax

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Taxation* (continued)

Deferred tax (continued)

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

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

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

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

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

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

3.17 *Earnings per share*

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Contributed capital

Ordinary shares

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

3.19 Segment information

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

3.20 Related parties

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

4. CASH AND CASH EQUIVALENTS

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

(*) These represent bank deposits in VND with maturity terms ranging from 1 month to 3 months and earning interest at rates ranging from 1.5% to 4.6% per annum (as at 31 December 2023: from 1.9% to 4.3% per annum).

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 31 December 2024 comprises short-term bank deposits in VND with terms ranging from 6 months to 12 months and earning interest at rates ranging from 3.9% to 5.6% per annum.

In which, a deposit contract No. 28311.19.059.2490114.TG.DN issued at 16 September 2020 by Military Commercial Joint Stock Bank – Dong Da Branch with value of VND 1 billion was being used as collateral for bank loans and a deposit contract No. 140/2023/43199 issued at 22 December 2023 by Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch with value of VND 1 billion was being used for credit guarantee as disclosed in Note 19.

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

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS

6.1 Short-term trade receivable

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables from customers	18,459,433,441	18,618,489,765
Trade receivables from related parties (Note 28)	<u>5,573,743,348</u>	<u>5,573,743,348</u>
TOTAL	<u>24,033,176,789</u>	<u>24,192,233,113</u>
Provision for doubtful receivables	(7,170,248,818)	(7,170,248,818)

6.2 Short-term advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advances to suppliers	2,899,609,920	5,015,208,506
- Hanoi Urban House Trading and Development JSC	2,596,110,103	2,596,110,103
- Duong Thanh Water and Construction JSC	-	2,156,337,434
- Other suppliers	303,499,817	262,760,969
Advances to related parties (Note 28)	<u>-</u>	<u>45,054,500</u>
TOTAL	<u>2,899,609,920</u>	<u>5,060,263,006</u>

7. OTHER SHORT-TERM RECEIVABLES

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
Advances to employees	1,091,805,845	(877,124,287)	2,648,415,781	(877,124,287)
Others	<u>220,256,530</u>	<u>-</u>	<u>1,202,304,208</u>	<u>-</u>
TOTAL	<u>1,312,062,375</u>	<u>(877,124,287)</u>	<u>3,850,719,989</u>	<u>(877,124,287)</u>

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

8. BAD DEBTS

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Vimeco Joint Stock Company	4,390,287,184	-	4,390,287,184	-
Household clean water receivables	2,380,299,898	-	2,380,299,898	-
Others	1,276,786,023	-	1,276,786,023	-
TOTAL	8,047,373,105	-	8,047,373,105	-

9. INVENTORIES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Work in process	10,675,827,409	9,153,296,269
Raw materials	7,118,304,484	6,509,349,682
TOTAL	17,794,131,893	15,662,645,951
Provision for obsolete inventories	(759,073,540)	(759,073,540)

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

10. TANGIBLE FIXED ASSETS

Cost:	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Beginning balance	36,097,277,405	91,159,961,940	884,173,735,882	3,838,981,881	1,015,269,957,108
- New purchase	-	139,000,000	1,330,098,182	-	1,469,098,182
- Transfer from construction in progress	-	12,682,831,749	29,260,986,519	-	41,943,818,268
- Disposal	-	-	(4,328,800,000)	-	(4,328,800,000)
Ending balance	<u>36,097,277,405</u>	<u>103,981,793,689</u>	<u>910,436,020,583</u>	<u>3,838,981,881</u>	<u>1,054,354,073,558</u>
<i>In which:</i>					
<i>Fully depreciated</i>	2,560,083,115	28,832,976,917	204,138,666,362	3,724,682,495	239,256,408,889
Accumulated depreciation:					
Beginning balance	15,699,275,517	56,538,291,990	438,508,896,370	3,568,490,209	514,314,954,086
- Depreciation for the year	1,612,835,556	11,166,768,496	49,554,741,071	194,442,286	62,528,787,409
- Disposal	-	-	(3,172,416,959)	-	(3,172,416,959)
Ending balance	<u>17,312,111,073</u>	<u>67,705,060,486</u>	<u>484,891,220,482</u>	<u>3,762,932,495</u>	<u>573,671,324,536</u>
Net carrying amount:					
Beginning balance	<u>20,398,001,888</u>	<u>34,621,669,950</u>	<u>445,664,839,512</u>	<u>270,491,672</u>	<u>500,955,003,022</u>
Ending balance	<u>18,785,166,332</u>	<u>36,276,733,203</u>	<u>425,544,800,101</u>	<u>76,049,386</u>	<u>480,682,749,022</u>

Buildings and structures, machinery and equipment with the total net carrying amount of VND 163 billion were used as collaterals for bank loans as disclosed in Note 19.

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

11. FINANCE LEASES

Cost:	Pumping station	Machinery and equipment	Means of transportation	Currency: VND
				Total
Beginning balance	1,235,156,584	2,666,915,528	41,330,008,250	45,232,080,362
Ending balance	1,235,156,584	2,666,915,528	41,330,008,250	45,232,080,362
<i>In which:</i>				
<i>Fully depreciated</i>	920,424,048	2,510,107,016	17,367,473,059	20,798,004,123
Accumulated depreciation:				
Beginning balance	922,617,084	1,981,589,353	30,665,677,521	33,569,883,958
- Depreciation for the year	23,465,404	46,930,809	711,783,935	782,180,148
Ending balance	946,082,488	2,028,520,162	31,377,461,456	34,352,064,106
Net carrying amount:				
Beginning balance	312,539,500	685,326,175	10,664,330,729	11,662,196,404
Ending balance	289,074,096	638,395,366	9,952,546,794	10,880,016,256

The Company leases water supply system in the southwest of Hanoi City, from Hanoi Clean Water One Member Limited Company under the Finance Lease Contract No. 21/HDKT-NSHN dated 25 March 2009 and Appendix No. 01/2017/PLHD-NSHN dated 1 January 2017, with the lease term from 2009 to the end of 2037. Future lease payments under the lease contract are disclosed in Note 19.

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

12. INTANGIBLE FIXED ASSETS

	<i>Currency: VND</i>	
	<i>Computer software</i>	
Cost:		
Beginning balance		4,131,856,755
- New purchase		<u>4,042,706,739</u>
Ending balance		<u>8,174,563,494</u>
<i>In which:</i>		
<i>Fully amortised</i>		4,131,856,755
Accumulated amortisation:		
Beginning balance		4,089,344,909
- Amortisation for the year		<u>126,734,904</u>
Ending balance		<u>4,216,079,813</u>
Net carrying amount:		
Beginning balance		<u>42,511,846</u>
Ending balance		<u>3,958,483,681</u>

13. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Network and power supply pipeline for the Thanh Oai district area	16,301,735,564	-
Water quality laboratory	2,838,014,569	-
Office renovation of Thanh Xuan Bac – D Substation	1,503,791,079	-
Others	<u>2,403,371,701</u>	<u>11,256,094,166</u>
TOTAL	<u>23,046,912,913</u>	<u>11,256,094,166</u>

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

14. LONG-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Office renovation expenses	3,225,453,979	175,639,698
Installation and replacement cost for water meters	17,339,109,941	-
TOTAL	<u>20,564,563,920</u>	<u>175,639,698</u>

15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

	<i>Currency: VND</i>	
	<i>Balance and payable amount</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payable	85,185,847,399	49,312,522,747
- Song Duong Surface Water JSC	54,523,459,768	34,883,759,118
- Duong Thanh Water and Construction JSC	11,882,221,469	-
- Other suppliers	18,780,166,162	14,428,763,629
Short-term trade payable from related parties (Note 28)	61,136,675,007	64,882,548,476
TOTAL	<u>146,322,522,406</u>	<u>114,195,071,223</u>

15.2 Short-term advances from customers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advances from customers	16,509,766,942	19,836,561,616
- TASCOCO Joint Stock Company	1,842,304,600	1,842,304,600
- Other customers	14,667,462,342	17,994,257,016
Short-term advances from related parties (Note 28)	1,244,515,263	-
TOTAL	<u>17,754,282,205</u>	<u>19,836,561,616</u>

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

16. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
Environment fee	6,024,269,158	79,712,770,372	(78,632,958,561)	7,104,080,969
Value added tax	-	15,844,382,201	(15,844,382,201)	-
Corporate income tax	7,398,115,154	62,024,420,821	(45,500,000,000)	23,922,535,975
Personal income tax	244,273,434	1,927,768,287	(1,369,523,176)	802,518,545
Other taxes	-	4,000,000	(4,000,000)	-
TOTAL	<u>13,666,657,746</u>	<u>159,513,341,681</u>	<u>(141,350,863,938)</u>	<u>31,829,135,489</u>

17. SHORT-TERM ACCRUED EXPENSES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued cost for materials for construction projects	3,024,784,135	3,690,189,855
Accrued costs for fee collection activities	5,098,687,471	2,308,968,006
Remuneration for the Board of Directors and the Board of Supervision	1,920,000,000	1,920,000,000
Others	2,080,000,000	2,044,399,390
TOTAL	<u>12,123,471,606</u>	<u>9,963,557,251</u>

18. OTHER SHORT-TERM PAYABLES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to construction teams	16,241,400,027	9,275,709,968
Dividend payables	566,640,000	526,800,000
Others	1,047,797,019	1,003,295,528
TOTAL	<u>17,855,837,046</u>	<u>10,805,805,496</u>

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

19. LOANS AND FINANCE LEASES

	Beginning balance		Movement during the year		Ending balance		Currency: VND
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount	
Short-term loans							
Current portion of long-term loans from banks (Note 19.1)	24,228,380,984	24,228,380,984	22,405,095,984	(23,545,095,984)	23,088,380,984	23,088,380,984	
Current portion of loans from others (Note 19.2)	2,847,580,000	2,847,580,000	3,022,577,000	(2,847,580,000)	3,022,577,000	3,022,577,000	
Current portion of long-term finance leases (Note 19.3)	782,180,148	782,180,148	873,814,879	(782,180,148)	873,814,879	873,814,879	
TOTAL	27,858,141,132	27,858,141,132	26,301,487,863	(27,174,856,132)	26,984,772,863	26,984,772,863	
Long-term loans							
Loans from banks (Note 19.1)	77,430,119,628	77,430,119,628	-	(22,405,095,984)	55,025,023,644	55,025,023,644	
Loans from others (Note 19.2)	22,668,110,633	22,668,110,633	-	(3,022,577,000)	19,645,533,633	19,645,533,633	
Finance leases (Note 19.3)	10,880,016,256	10,880,016,256	-	(873,814,879)	10,006,201,377	10,006,201,377	
TOTAL	110,978,246,517	110,978,246,517	-	(26,301,487,863)	84,676,758,654	84,676,758,654	

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

19. LOANS AND FINANCE LEASES (continued)

19.1 Long-term loans from banks

Details of loans from banks are as follows:

Bank	Ending balance (VND)	Principal and interest repayment term	Annual interest rate	Description of collateral
Military Commercial Joint Stock Bank – Dong Da Branch	3,200,355,000	120 months. Principal and interest are payable in monthly instalments, until October 2029.	10.7%	All machinery, equipment and asset rights associated with supplement items of water distribution pipeline and meter installation in Ta Thanh Oai village, of Project construction of water supply system for the 4 communes of Huu Hoa, Ta Thanh Oai, Tam Hiep and a part of Van Dien Town, Thanh Tri District, Hanoi.
	11,633,948,242	120 months. Principal and interest are payable in monthly instalments, until April 2027.	11.1%	A deposit contract issued by Military Commercial Joint Stock Bank - Dong Da Branch.
	13,517,843,917	120 months. Principal and interest are payable in monthly instalments, until April 2027.	11.1%	All water pipes and equipment of Project "Construction of water supply system for Vinh Quynh Commune, Thanh Tri District, Ha Noi".
	17,238,564,067	120 months. Principal and interest are payable in monthly instalments, until July 2029.	7.3%	All machinery and equipment of Project "Construction of water supply system for the 4 communes of Xuan Phuong, Dai Mo, Tay Mo and Trung Van, Nam Tu Liem, Hanoi" (including project development cost).
Joint Stock Commercial Bank for Foreign Trade of Vietnam –West Hanoi Branch	7,591,869,000	132 months. Principal and interest are payable in monthly instalments, until December 2032.	7.6%	All machinery and equipment of Project "Construction of water supply system for the communes of Huu Hoa, Ta Thanh Oai, Tam Hiep and Van Dien Town, Thanh Tri District, Hanoi
	777,188,200	84 months. Principal and interest are payable in monthly instalments, until February 2025.	6.6-7.6%	All water pipes of Project "Construction and renovation and loss reduction of the water supply network in 2021 – Nam Tu Liem District".
Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch	7,716,530,305	84 months. Principal and interest are payable in quarterly instalments, until July 2027	7.73%	All machinery and equipment of Project "Construction and renovation of water supply system of Van Dien town and water pipes of Vinh Quynh commune and Van Dien town.
Shinhan Bank Ltd. – Pham Hung Branch	6,870,811,019	120 months. Principal is payable in quarterly instalments and interest is payable monthly, until November 2031.	7.8%	The collateral for this loan consists of assets formed from borrowed capital for the renovation project of the distribution pipeline, services, and DMA meter K6/3B for Zone 1, Zone 2, Zone 3, Zone 4 in Thanh Xuan district, Hanoi city, with the Company acting as the investor.
Vietnam International Joint Stock Commercial Bank – Dong Da Branch	9,566,294,878	84 months. Principal and interest are payable in monthly instalments, until January 2028.	8.0%	All assets belonging to the project "Supplement construction and renovation of old water supply system to reduce water loss in 2021 in Thanh Xuan District".
	78,113,404,628			Assets formed from borrowed capital within the project for the renovation of the distribution pipeline, services, and DMA meters for K4/48 area and K4/242 Vu Tong Phan.

TOTAL	78,113,404,628
In which:	
Current portion	23,088,380,984
Long-term	55,025,023,644

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

19. LOANS AND FINANCE LEASES (continued)

19.2 Loans from others

Details of loans from others are as follows:

Bank	Ending balance (VND)	Principal and interest repayment term	Annual interest rate	Description of collateral
Hanoi city Investment Fund for Development	5,400,000,000	240 months. Principal is payable every 6 months, until November 2033.	None	Unsecured
	13,500,000,000	240 months. Principal is payable annually, until November 2033.	None	Unsecured
	3,545,533,633	78 months. Principal is payable in quarterly instalments and interest is payable monthly, until November 2029.	5.96%	Bank guarantee by Vietnam Joint Stock Commercial Bank for Industry and Trade – Nam Thang Long Branch
Housing and Urban Development Corporation	222,577,000	144 months. Principal is payable annually, until July 2025.	None	Unsecured
TOTAL	22,668,110,633			
<i>In which:</i>				
Current portion	3,022,577,000			
Long-term	19,645,533,633			

VIWACO Joint Stock Company

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

19. LOANS AND FINANCE LEASES (continued)

19.3 Finance lease

The Company leases the water supply system in the southwest of Hanoi under Lease arrangement No. 21/HDKT-NSHN dated 25 March 2009 and Appendix No. 01/2017/PLHD-NSHN from Hanoi Clean Water One Member Company Limited with the lease term from 2009 to the end of 2037 (Note 11).

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

	Ending balance		Beginning balance		Currency: VND	
	Total lease payments	Finance charges	Lease liabilities	Total lease payments		Finance charges
Less than 1 year	2,106,205,328	1,232,390,449	873,814,879	2,106,205,328	1,324,025,180	782,180,148
From 1-5 years	9,280,955,058	4,605,923,024	4,675,032,034	9,687,675,557	5,129,592,840	4,558,082,717
More than 5 years	7,356,081,057	2,024,911,714	5,331,169,343	9,055,565,886	2,733,632,347	6,321,933,539
TOTAL	18,743,241,443	7,863,225,187	10,880,016,256	20,849,446,771	9,187,250,367	11,662,196,404

20. BONUS AND WELFARE FUND

	Currency: VND	
	Current year	Previous year
Beginning balance	464,896,920	2,190,196,920
Utilisation of fund during the year	(285,500,000)	(1,725,300,000)
Ending balance	179,396,920	464,896,920

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

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	<i>Share capital</i>	<i>Undistributed earnings</i>	<i>Total</i>
Previous year			
Beginning balance	320,000,000,000	131,668,806,803	451,668,806,803
- Net profit for the year	-	108,225,161,515	108,225,161,515
- Cash dividends declared	-	(38,400,000,000)	(38,400,000,000)
Ending balance	<u>320,000,000,000</u>	<u>201,493,968,318</u>	<u>521,493,968,318</u>
Current year			
Beginning balance	320,000,000,000	201,493,968,318	521,493,968,318
- Net profit for the year	-	230,404,755,299	230,404,755,299
- Cash dividends declared (*)	-	(38,400,000,000)	(38,400,000,000)
Ending balance	<u>320,000,000,000</u>	<u>393,498,723,617</u>	<u>713,498,723,617</u>

(*) According to Resolution No. 01/2024/NQ-ĐHĐCĐ dated 28 March 2024, the General Meeting of Shareholders approved the decision to distribute cash dividends at a rate of 12% of the par value, amounting to VND 38,400,000,000.

21.2 Share capital

Currency: VND

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

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

21. OWNERS' EQUITY (continued)

21.3 Dividends

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Dividends declared during the year		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2023:		
VND 1,200 per share	38,400,000,000	-
Cash dividends for 2022:		
VND 1,200 per share	-	38,400,000,000
Dividends paid during the year		
Dividends for 2023	38,359,200,000	-
Dividends for 2022	960,000	38,359,200,000
Dividends for 2021	-	5,000,000

21.4 Shares

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

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

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

22. REVENUES

22.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	1,071,342,794,002	838,631,396,149
<i>In which:</i>		
Revenue from distribution and sale of clean water	1,055,941,683,899	821,655,390,227
Revenue from construction activities and others	15,401,110,103	16,976,005,922
Deduction	-	-
Net revenue	<u>1,071,342,794,002</u>	<u>838,631,396,149</u>
<i>In which:</i>		
Sales to related parties (Note 28)	12,754,379,877	10,892,997,280
Sales to others	1,058,588,414,125	827,738,398,869

22.2 Finance income

	Currency: VND	
	Current year	Previous year
Loan interest income	6,216,512,328	-
Interest income	6,833,960,653	10,663,500,209
TOTAL	<u>13,050,472,981</u>	<u>10,663,500,209</u>

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

23. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of distribution and sale of clean water	715,502,026,803	651,251,069,246
Cost of construction activities and others	12,014,025,354	9,360,928,056
TOTAL	<u>727,516,052,157</u>	<u>660,611,997,302</u>

24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan and finance lease interest	9,826,759,408	13,750,594,317
TOTAL	<u>9,826,759,408</u>	<u>13,750,594,317</u>

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Labour cost	23,618,280,046	24,204,630,405
Depreciation and amortisation	19,231,200	42,759,999
Expenses for external services	74,246,830	66,380,012
Others	3,600,000	3,600,000
TOTAL	<u>23,715,358,076</u>	<u>24,317,370,416</u>
General and administrative expenses		
Labour cost	13,167,519,061	10,218,414,178
Depreciation and amortisation	2,408,956,756	2,728,351,897
Expenses for external services	15,194,485,584	7,969,000,183
Provisions for doubtful debts	-	2,712,743,003
Others	4,000,000	104,000,000
TOTAL	<u>30,774,961,401</u>	<u>23,732,509,261</u>

26. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	592,741,388,314	531,131,702,135
Labour costs	85,718,933,276	80,364,593,553
Depreciation and amortisation	63,437,702,461	60,025,931,650
Expenses for external services	31,250,196,909	26,384,021,288
Other expenses	9,467,105,476	7,407,306,317
Provisions	-	2,712,743,003
TOTAL	<u>782,615,326,436</u>	<u>708,026,297,946</u>

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

27. CORPORATE INCOME TAX

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

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

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

27.1 CIT expense

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	62,024,420,821	16,550,251,835
Under-accrual of current CIT expense in prior years	-	680,502,222
Deferred income tax expenses	658,626,945	1,932,022,324
TOTAL	<u>62,683,047,766</u>	<u>19,162,776,381</u>

Reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	293,087,803,065	127,387,937,896
At CIT rate of 10%	-	11,063,480,436
At CIT rate of 20%	58,617,560,613	3,350,626,708
<i>Adjustment:</i>		
Non-deductible expenses	548,847,300	1,345,547,850
Adjustment for unpaid salary expense before annual CIT finalisation	10,745,089,757	3,450,741,732
Adjustment to reduce previous year's tax-deductible salary expenses	(7,228,449,904)	-
Adjustment of CIT underpayment of previous year	-	680,502,222
Others	-	(728,122,567)
CIT expense	<u>62,683,047,766</u>	<u>19,162,776,381</u>

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

27. CORPORATE INCOME TAX (continued)

27.2 Current tax

The current CIT payable is based on taxable profit for the current year. The taxable income of the Company for the year differs from the accounting profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

27.3 Defferd tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous years.

Currency: VND

	Balance sheet		Income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Unearned revenue	-	72,727,278	(72,727,278)	(143,636,363)
	-	72,727,278		
Deferred tax liabilities				
Unbilled revenue from distribution of water	(2,374,285,628)	(1,788,385,961)	(585,899,667)	(1,788,385,961)
	(2,374,285,628)	(1,788,385,961)		
Deferred tax liabilities	(2,374,285,628)	(1,715,658,683)		
Net deferred tax charge to income statement			(658,626,945)	(1,932,022,324)

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

28. TRANSACTIONS WITH RELATED PARTIES

List of related parties that have a controlling relationship with the Company and other related parties that have transactions with the Company during the year and as at 31 December 2024 is as follow:

<i>Related parties</i>	<i>Relationship</i>
Vietnam Construction and Import - Export Joint Stock Corporation	Parent company
Hanoi Clean Water One Member Limited Company	Shareholder
Song Da Water Investment Joint Stock Company	Shareholder
Vietnam Construction Joint Stock Company No. 1	Affiliate
VIMECO Joint Stock Company	Affiliate
Ly Thai To Education One Member Company Limited	Affiliate
Vietnam Construction Joint Stock Company No. 12	Associate of Parent company
Vietnam Urban Services and Investment Joint Stock Company	Associate of Parent company
Mr Duong Van Mau	Chairman
Mr Nguyen Huu Toi	Member of Board of Directors/General Director
Mr Truong Tien Hung	Member of Board of Directors
Ms Nguyen Thi Quynh Trang	Head of Board of Supervision
Ms Tran Thi Kim Oanh	Member of Board of Supervision
Mr Pham Thanh Binh	Member of Board of Supervision
Mr Cao Hai Thap	Deputy General Director
Mr Dinh Huu Canh	Deputy General Director
Mr Dinh Hoang Lan	Deputy General Director
Mr Do Xuan Tien	Deputy General Director
Mr Tran Manh Hung	Chief Accountant

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

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows:

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Song Da Water Investment Joint Stock Company	Shareholder	Purchase clean water	364,660,544,820	346,565,189,644
		Dividends payable	5,795,280,000	5,795,280,000
		Dividends paid in cash	5,795,280,000	5,795,280,000
		Sales of clean water transmission	15,930,600	926,329,800
Vietnam Construction and Import - Export Joint Stock Corporation	Parent Company	Dividend payable	19,584,000,000	19,584,000,000
		Dividends paid in cash	19,584,000,000	19,584,000,000
		Lending	900,000,000,000	-
		Collection of lending	900,000,000,000	-
		Lending interests	3,693,936,985	-
		Office rental	1,994,421,818	-
		Royalty fee payable	250,000,000	250,000,000
Vietnam Urban Services and Investment Joint Stock Company	Associate of Parent company	Sale of clean water	11,611,245,758	9,643,460,033
Hanoi Clean Water One Member Limited Company	Share holder	Dividends payable	9,101,856,000	9,101,856,000
		Dividends paid in cash	9,101,856,000	9,101,856,000
		Purchase of water	4,094,160,452	2,992,975,555
Vietnam Construction Joint Stock Company No.12	Associate of Parent company	Sale of clean water	276,804,500	279,763,964
		Lending	-	2,000,000,000
		Purchase of goods	-	827,146,364
Ly Thai To Education One Member Company Limited	Affiliate	Sale of clean water	416,068,519	-
		Revenue from construction work	386,710,500	-
Vietnam Construction Joint Stock Company No. 1	Affiliate	Sale of clean water	47,620,000	43,443,483

Terms and conditions of transactions with related parties:

Outstanding balances due from related parties of the Company as at 31 December 2024 are unsecured, interest free (except for loans and lending) and will be settled in cash. For the year ended 31 December 2024, the Company has made provision for doubtful debts with amount of 4,390,287,184 VND relating to amounts owed by related parties (31 December 2023: 4,390,287,184 VND). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

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

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows:

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<i>Short-term trade receivables (Note 6.1)</i>				
Vietnam Construction and Import - Export Joint Stock Corporation	Parent company	Receivables from rendering construction work	1,183,456,164	1,183,456,164
VIMECO Joint Stock Company	Affiliate	Receivables from rendering construction work	4,390,287,184	4,390,287,184
TOTAL			<u>5,573,743,348</u>	<u>5,573,743,348</u>
<i>Short-term loan receivables (Code 135)</i>				
Vietnam Construction Joint Stock Company No.12 (*)	Associate of Parent company	Lending	2,000,000,000	2,000,000,000
TOTAL			<u>2,000,000,000</u>	<u>2,000,000,000</u>
(*) The short-term loan is under the loan agreement dated 26 April 2023 with interest rate of 0% per annum for the purpose of material supply, until 30 September 2025.				
<i>Short-term payable to suppliers (Note 15.1)</i>				
Song Da Water Invesment Joint Stock Company	Shareholder	Payables for purchasing clean water	58,514,652,531	62,638,285,518
Vietnam Construction Joint Stock Company No. 12	Affiliate	Payables for construction work	2,232,322,346	2,232,322,346
Hanoi Clean Water One Member Limited Company	Affiliate	Payables for clean water	340,329,990	-
Vietnam Construction and Import - Export Joint Stock Corporation	Parent Company	Payables for purchasing clean water	49,370,140	11,940,612
TOTAL			<u>61,136,675,007</u>	<u>64,882,548,476</u>

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

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows (continued):

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advances from customers (Note 15.2)				
Vietnam Construction and Import-Export Joint Stock Corporation	Parent Company	Advance for construction work	1,244,515,263	-
TOTAL			1,244,515,263	-

Finance lease (Note 19.3)

Hanoi Clean Water One Member Limited Company	Shareholder	Finance lease	10,880,016,256	11,662,196,404
TOTAL			10,880,016,256	11,662,196,404

Transactions with other related parties

Remuneration to members of the Board of Directors, Board of Management and Board of Supervision, of the Company:

Currency: VND

<i>Individuals</i>	<i>Position</i>	<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
Board of Directors			
Mr Duong Van Mau	Chairman	600,000,000	600,000,000
Mr Nguyen Huu Toi	Member cum General Director	360,000,000	360,000,000
Mr Truong Tien Hung	Member	360,000,000	360,000,000
Board of Management			
Mr Dinh Huu Canh	Deputy General Director	869,970,000	759,513,043
Mr Cao Hai Thap	Deputy General Director	950,060,000	844,423,826
Mr Do Xuan Tien	Deputy General Director	869,970,000	760,513,043
Board of Supervision			
Ms Nguyen Thi Quynh Trang	Head	360,000,000	360,000,000
Mr Pham Thanh Binh	Board member	120,000,000	120,000,000
Ms Tran Thi Kim Oanh	Board member	120,000,000	120,000,000
TOTAL		4,610,000,000	4,284,449,912

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

29. EARNINGS PER SHARE

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary shareholders	230,404,755,299	108,225,161,515
Adjustment for distribution to bonus and welfare fund, and remuneration for Board of Directors, Board of Supervision	-	-
Net profit after tax attributable to ordinary shareholders for basic earnings	230,404,755,299	108,225,161,515
Dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	230,404,755,299	108,225,161,515
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	32,000,000	32,000,000
<i>Basic earnings per share</i>	<i>7,200</i>	<i>3,382</i>
<i>Diluted earnings per share</i>	<i>7,200</i>	<i>3,382</i>

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

30. COMMITMENTS

Capital expenditure commitments relating to construction.

The Company has contractual commitments relating to construction of water supply system, with total estimated amount of VND 18.8 billion as at 31 December 2024.

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

31. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Hanoi, Vietnam

6 March 2025



Preparer
Doan Thi Minh Nga



Chief accountant
Tran Manh Hung



General Director
Nguyen Huu Toi

