

No.: 165/CV-NSBN

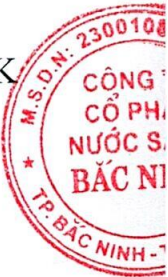
Bac Ninh, dated March 7, 2025

PERIODIC DISCLOSURE OF FINANCIAL STATEMENT

To: Hanoi Stock Exchange

In accordance with the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, guiding the disclosure of information on the securities market, Bac Ninh Clean Water Joint Stock Company has disclosed the audited financial statement information (FS) for the year 2024 to the Hanoi Stock Exchange as follows:

1. Name of organization: BAC NINH CLEAN WATER JOINT STOCK COMPANY
2. Stock symbol: BNW
 - Address: No. 57 Ngo Gia Tu, Thi Cau Ward, Bac Ninh City
 - Tel: Fax:
 - Email: Website: nuocsachbacninh.vn
3. Content of the disclosed information:
 - FS for the year 2024.
 - Separate financial statement (The listed entity does not have subsidiaries or a higher-level accounting entity with subordinate units);
 - Consolidated financial statement (The listed entity has subsidiaries);
 - Aggregated financial statement (The listed entity has subordinate accounting units within its organizational structure).
 - Cases that require an explanation of the reasons:
 - + The audit firm issues an opinion that is not an unqualified opinion on the financial statement:
 - Yes No
 - Explanatory document in the case of marking "yes":
 - Yes No
 - + Net profit after tax in the reporting period shows a difference of 5% or more before and after the audit, changing from a loss to a profit or vice versa:



Yes No

Explanatory document in the case of marking "yes":

Yes No

+ Net profit after corporate income tax in the income statement for the reporting period has changed by 10% or more compared to the same period of the previous year:

Yes No

Explanatory document in the case of marking "yes":

Yes No

+ Net profit after tax in the reporting period shows a loss, changing from a profit in the same period of the previous year to a loss in the current period, or vice versa:

Yes No

Explanatory document in the case of marking "yes":

Yes No

This information has been disclosed on the company's website on: .../.../2025 at the following link:

Attached documents:

- FS for the year 2024;
- Explanatory document for the increase in net profit after tax.

Representative of the organization
Legal representative/Authorized person
for information disclosure
(Signature, full name, title, seal)



TỔNG GIÁM ĐỐC
Lưu Xuân Tâm



FINANCIAL STATEMENTS

BAC NINH CLEAN WATER JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2024

(audited)



BAC NINH CLEAN WATER JOINT STOCK COMPANY

No. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh City, Bac Ninh Province

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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Bac Ninh Clean Water Joint Stock Company (“the Company”) presents its report and the Company’s Financial statements for the fiscal year ended as at December 31, 2024.

THE COMPANY

Bac Ninh Clean Water Joint Stock Company was converted from Bac Ninh Water Supply and Drainage One Member Limited Liability Company according to Decision No. 500/QĐ-UBND dated December 03, 2015, issued by the People's Committee of Bac Ninh province, approving the equitization of Bac Ninh Water Supply and Drainage One Member Limited Liability Company.

The Company operates under Business Registration Certificate No. 2300108311, initially issued by the Bac Ninh Department of Planning and Investment on December 29, 2006, and amended for the fifth time on January 10, 2022.

The Company’s head office is located at: No. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh City, Bac Ninh Province.

BOARD OF MANAGEMENT, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION

The members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Nguyen Tien Long	Chairman	
Mr. Luu Xuan Tam	Vice Chairman	
Mrs. Vu Thi Chuyen	Member	
Mr. Nguyen Dinh Ton	Member	
Mr. Nguyen Xuan Quyet	Member	Appointed on May 01, 2024
Mr. Ngo Minh Chau	Member	Resigned on May 01, 2024

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr. Luu Xuan Tam	General Director	
Mr. Nguyen Dinh Ton	Vice General Director	
Mr. Tran Khanh Tinh	Vice General Director	Appointed on July 09, 2024

The members of the Board of Supervision are:

Mrs. Tran Thi Huong	Chief Controller	
Mr. Nguyen Hong Thien	Member	Appointed on May 01, 2024
Mrs. Nguyen Thi Mai Lan	Member	
Mr. Nguyen Van An	Member	Resigned on May 01, 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and to the date of this Financial Statements is Mr. Luu Xuan Tam – General Director.

AUDITORS

The auditors of AASC Auditing Firm Company Limited have taken the audit of Financial statements for the Company.

BAC NINH CLEAN WATER JOINT STOCK COMPANY

No. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh City, Bac Ninh Province

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the Financial statements of each financial year which give a true and fair view of the financial position of the Company; its operating results and its cash flows for the year. In preparing those Financial statements, The Board of Management is required to:

- Establish and maintain an internal control system which is determined necessary by The Board of Management and Board of Directors to ensure the preparation and presentation of Financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments 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;
- Prepare the Financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements;
- Prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at anytime and to ensure that the Financial statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Financial statements give a true and fair view of the financial position at December 31, 2024, its operation results and cash flows in the year 2024 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Other commitments

The Board of Management pledges that the Company complies with Decree No.155/2020/ND-CP dated December 31, 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No.96/2020/TT-BTC dated November 16, 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and Circular No.68/2024/TT-BTC dated September 18, 2024, amending and supplementing certain provisions of Circular No.96/2020/TT-BTC.

On behalf of The Board of Management



Lưu Xuân Tam
General Director

Hanoi, March 06, 2025



No.: 060325.002/BCTC.KT2

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, The Board of Directors and The Board of Management
Bac Ninh Clean Water Joint Stock Company**

We have audited the Financial statements of Bac Ninh Clean Water Joint Stock Company prepared on March 06, 2025, as set out on pages 06 to 43, including: Statement Of Financial Position as at December 31, 2024, Statement Of Income, Statement Of Cashflows and Notes to Financial Statements for the fiscal year ended December 31, 2024.

The Board of Management' responsibility

The Board of Management responsible for the preparation of Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements and for such internal control as management determines is necessary to enable the preparation of Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 standards and ethical requirements; 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 auditor's 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 entity's preparation of Financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial statements.

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

Auditor's opinion

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

AASC Auditing Firm Company Limited



A blue ink signature, likely of Le Cong Thang, written in a cursive style.

Vu Xuan Bien
Deputy General Director
Certificate of registration to audit practice
No: 0743-2023-002-1

Le Cong Thang
Auditor
Certificate of registration to audit practice
No: 4422-2024-002-1

Hanoi, March 06, 2025

BAC NINH CLEAN WATER JOINT STOCK COMPANYNo. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh
City, Bac Ninh Province**Financial statements**

For the fiscal year ended as at 31/12/2024

STATEMENT OF FINANCIAL POSITION*As at December 31, 2024*

Code	ASSETS	Note	31/12/2024	01/01/2024
			VND	VND
100	A. CURRENT ASSETS		158,940,740,516	124,250,533,836
110	I. Cash and cash equivalents	3	30,986,613,786	57,939,296,070
111	1. Cash		4,454,854,882	8,432,885,111
112	2. Cash equivalents		26,531,758,904	49,506,410,959
120	II. Short-term investments	4	76,304,501,392	18,150,800,000
123	1. Held to maturity investments		76,304,501,392	18,150,800,000
130	III. Short-term receivables		20,551,163,932	23,620,438,386
131	1. Short-term trade receivables	5	17,064,730,971	20,808,031,372
132	2. Short-term prepayments to suppliers	6	2,047,557,114	566,413,932
136	3. Other short-term receivables	7	2,679,290,864	2,245,993,082
137	4. Provision for short-term doubtful debts (*)		(1,240,415,017)	-
140	IV. Inventories	9	18,262,524,880	18,539,104,092
141	1. Inventories		18,262,524,880	18,539,104,092
150	V. Other short-term assets		12,835,936,526	6,000,895,288
151	1. Short-term prepaid expenses	13	122,479,842	115,892,549
152	2. Deductible VAT		12,713,456,684	5,729,197,634
153	3. Taxes and other receivables from State budget	15	-	155,805,105
200	B. NON-CURRENT ASSETS		748,012,856,201	622,395,803,789
220	I. Fixed assets		512,154,986,509	551,866,932,022
221	1. Tangible fixed assets	12	509,917,058,345	549,082,715,294
222	- Historical costs		943,281,624,514	935,392,430,632
223	- Accumulated depreciation (*)		(433,364,566,169)	(386,309,715,338)
227	2. Intangible fixed assets	11	2,237,928,164	2,784,216,728
228	- Historical costs		7,828,798,850	7,828,798,850
229	- Accumulated amortization (*)		(5,590,870,686)	(5,044,582,122)
240	II. Long-term assets in progress		200,346,381,604	44,716,435,385
242	1. Construction in progress	10	200,346,381,604	44,716,435,385
250	III. Long-term investments	4	14,270,362,558	14,270,362,558
252	1. Investments in joint ventures and associates		14,270,362,558	14,270,362,558
260	IV. Other long-term assets		21,241,125,530	11,542,073,824
261	1. Long-term prepaid expenses	13	21,241,125,530	11,542,073,824
270	TOTAL ASSETS		906,953,596,717	746,646,337,625

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024
(continue)

Code	CAPITAL	Note	31/12/2024	01/01/2024
			VND	VND
300	C. LIABILITIES		479,918,472,984	335,964,991,840
310	I. Current liabilities		141,625,355,235	96,390,192,011
311	1. Short-term trade payables	14	39,976,940,936	10,457,035,119
312	2. Short-term prepayments from customers		254,279,931	307,042,790
313	3. Taxes and other payables to State budget	15	47,556,889,340	24,132,129,027
314	4. Payables to employees		12,623,084,318	12,392,844,420
315	5. Short-term accrued expenses	16	1,821,612,707	2,401,650,073
319	6. Other short-term payments	17	12,580,554,791	17,638,668,225
320	7. Short-term borrowings and finance lease liabilities	18	25,502,793,849	27,699,461,227
322	8. Bonus and welfare fund		1,309,199,363	1,361,361,130
330	II. Non-current liabilities		338,293,117,749	239,574,799,829
337	1. Other long-term payables	17	91,583,091,321	92,308,994,268
338	2. Long-term borrowings and finance lease liabilities	18	246,710,026,428	147,265,805,561
400	D. OWNER'S EQUITY		427,035,123,733	410,681,345,785
410	I. Owner's equity	19	427,035,123,733	410,681,345,785
411	1. Contributed capital		375,493,910,000	375,493,910,000
411a	Ordinary shares with voting rights		375,493,910,000	375,493,910,000
418	2. Development investment fund		550,000,000	
421	3. Retained earnings		50,991,213,733	35,187,435,785
421b	Retained earnings of the current year		50,991,213,733	35,187,435,785
440	TOTAL CAPITAL		906,953,596,717	746,646,337,625



Nguyen Thi Thu Dung
Preparer



Nguyen Thi Phuong
Chief Accountant



Luu Xuan Tam
General Director

Hanoi, March 06, 2025

BAC NINH CLEAN WATER JOINT STOCK COMPANYNo. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh
City, Bac Ninh Province**Financial statements**

For the fiscal year ended as at 31/12/2024

STATEMENT OF INCOME

Year 2024

Code	ITEM	Note	Year 2024	Year 2023
			VND	VND
01	1. Revenue from sales of goods and rendering of services	21	286,984,251,029	254,538,238,109
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		286,984,251,029	254,538,238,109
11	4. Cost of goods sold and services rendered	22	197,763,974,584	187,738,217,931
20	5. Gross profit from sales of goods and rendering of services		89,220,276,445	66,800,020,178
21	6. Financial income	23	2,813,003,054	3,377,693,729
22	7. Financial expense	24	11,770,819,626	13,309,598,568
23	<i>In which: Interest expenses</i>		11,770,819,626	13,309,598,568
25	8. Selling expenses		-	-
26	9. General and administrative expenses	25	20,128,936,033	17,123,375,767
30	10. Net profit from operating activities		60,133,523,840	39,744,739,572
31	11. Other income	26	1,070,204,392	881,158,305
32	12. Other expense		6,194,002	12,894,884
40	13. Other profit		1,064,010,390	868,263,421
50	14. Total net profit before tax		61,197,534,230	40,613,002,993
51	15. Current corporate income tax expense	27	9,918,320,497	5,137,567,208
60	17. Profit after corporate income tax		51,279,213,733	35,475,435,785
70	18. Basic earnings per share	28	1,358	937



Nguyen Thi Thu Dung
Preparer



Nguyen Thi Phuong
Chief Accountant

Luu Xuan Tam
General Director

Hanoi, March 06, 2025

STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)

Code	ITEM	Note	Year 2024	Year 2023
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		61,197,534,230	40,613,002,993
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		47,601,139,395	47,610,201,933
03	- Provisions		1,240,415,017	-
05	- Gains / losses from investment		(2,813,003,054)	(3,377,693,729)
06	- Interest expense		11,770,819,626	13,309,598,568
07	- Other adjustments		526,775,905	-
08	3. Operating profit before changes in working capital		119,523,681,119	98,155,109,765
09	- Increase or decrease in receivables		(2,883,985,924)	4,396,210,340
10	- Increase or decrease in inventories		276,579,212	(543,722,455)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		14,340,524,124	8,247,325,599
12	- Increase or decrease in prepaid expenses		(9,705,638,999)	(1,366,891,422)
14	- Interest paid		(12,551,163,374)	(12,504,442,729)
15	- Corporate income tax paid		(9,376,539,034)	(2,917,571,750)
16	- Other receipts from operating activities		24,300,000	25,340,000
17	- Other payments on operating activities		(878,680,000)	(394,570,000)
20	Net cash flows from operating activities		98,769,077,124	93,096,787,348
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets		(132,907,207,529)	(49,683,934,939)
23	2. Loans and purchase of debt instruments from other entities		(65,153,701,392)	(18,150,800,000)
24	3. Collection of loans and resale of debt instrument of other entities		7,000,000,000	6,500,000,000
25	4. Equity investments in other entities		-	6,327,396,902
26	5. Proceeds from equity investment in other entities		-	1,613,500,911
27	6. Interest and dividend received		2,214,813,576	-
30	Net cash flows from investing activities		(188,846,095,345)	(53,393,837,126)
	III CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings		124,947,014,715	16,234,555,200
34	2. Repayment of principal		(27,699,461,226)	(16,364,861,424)
36	3. Dividends or profits paid to owners		(34,123,217,552)	(18,260,838,814)
40	Net cash flows from financing activities		63,124,335,937	(18,391,145,038)

BAC NINH CLEAN WATER JOINT STOCK COMPANYNo. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh
City, Bac Ninh Province**Financial statements**

For the fiscal year ended as at 31/12/2024

STATEMENT OF CASH FLOWS*Year 2024
(Indirect method)*

Code ITEM	Note	Year 2024	Year 2023
		VND	VND
50	Net cash flows in the year	(26,952,682,284)	21,311,805,184
60	Cash and cash equivalents at beginning of the year	57,939,296,070	36,627,490,886
70	Cash and cash equivalents at end of the year	3	3
		<u>30,986,613,786</u>	<u>57,939,296,070</u>



Nguyen Thi Thu Dung
Preparer



Nguyen Thi Phuong
Chief Accountant


Luu Xuan Tam
General Director

Hanoi, March 06, 2025

NOTES TO FINANCIAL STATEMENTS*Year 2024***1 . GENERAL INFORMATION OF THE COMPANY****Form of ownership**

Bac Ninh Clean Water Joint Stock Company was converted from Bac Ninh Water Supply and Drainage One Member Limited Liability Company according to Decision No. 500/QD-UBND dated December 03, 2015, issued by the People's Committee of Bac Ninh province, approving the equitization of Bac Ninh Water Supply and Drainage One Member Limited Liability Company.

The Company operates under Business Registration Certificate No. 2300108311, initially issued by the Bac Ninh Department of Planning and Investment on December 29, 2006, and amended for the fifth time on January 10, 2022.

The Company's head office is located at: No. 57 Ngo Gia Tu Street, Thi Cau Ward, Bac Ninh City, Bac Ninh Province.

The Company's registered charter capital is VND 375,493,910,000, with the actual contributed charter capital as of December 31, 2024 being VND 375,493,910,000; equivalent to 37,549,391 shares, with the par value of VND 10,000 per share.

The number of employees of the Company as of December 31, 2024 is: 301 people (as of December 31, 2023: 297 people).

Business activities

Main business activities of the Company include:

- Production and distribution of clean water;
- Investment consulting for the construction of specialized water supply works;
- Construction and installation of civil, industrial, water supply and drainage, waste treatment, electrical works and 35KV power transmission lines and substations;
- Manufacturing and trading of machinery, equipment and supplies in the water sector;
- Real estate investment and business;
- Design of water supply and drainage systems for urban and rural areas, treatment of wastewater and domestic water;
- Design of water supply and drainage systems for civil and industrial construction, and water environment projects;
- Master planning, architectural design for interior and exterior spaces of civil and industrial works;
- Consulting on construction quality supervision and surveying;
- Technical inspection and analysis (including water quality testing, inspection, calibration, and measurement of water meters).

The Company's operation in the year that affects the Financial Statements

In 2024, the selling price of water increased sharply because from May 2023, the Company was approved for a new water tariff according to Decision No. 170/QD-UBND dated May 9, 2023 of the People's Committee of Bac Ninh province. Additionally, the increase in sales volume led to a sharp rise in revenue and gross profit compared to the previous year. Specifically, revenue for the period increased by VND 32.45 billion, equivalent to a 12.75% increase, while gross profit increased by VND 22.42 billion, equivalent to 33.56% increase compared to the previous year.

Information of subsidiaries, Associates and Joint ventures of the Company is provided in Note No 4.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**2.1 . Accounting period and accounting currency**

Annual accounting period commences from 01 January and ends as at 31 December.

The Company maintains its accounting records in Vietnam Dong (VND).

2.2 . Standards and Applicable Accounting Policies*Applicable Accounting Policies*

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

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Accounting estimates

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of General Director to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Directors to be reasonable under the circumstances.

2.4 . Financial Instruments*Initial recognition*

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No.210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.5 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.6 . Financial investments

Investments held to maturity include: Term bank deposits held to maturity for the purpose of earning annual interest and other investments held to maturity.

Investments in subsidiaries, joint ventures or associates are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the year as followings:

- Investments in subsidiaries, joint ventures or associates: A provision for investment impairment is established when the investee incurs a loss, based on the financial statements of the joint-venture or associate company at the time the provision is made.
- Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.7 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables shall be classified into short-term receivables or long-term receivables on the financial statements according to their remaining terms at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating the possible losses.

2.8 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the year: The value of work in progress is recorded for each construction project which is incomplete or revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.9 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Subsequent measurement after initial recognition

If these costs aument future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Statement of Income in the year in which the costs are incurred.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful life as follows:

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 15 years
- Vehicles, Transportation equipment	05 - 30 years
- Office equipment and furniture	05 - 08 years
- Other fixed assets	05 - 25 years

2.10 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

2.11 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.12 . Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. In case of contributing money or assets to BCC, they should be recorded as receivables. During the process of operating BCC, depending on the form of BCC, the accounting methods are adopted as follows:

a) BCC in the form of jointly controlled assets

All parties in the joint venture shall simultaneously do the bookkeeping in their own accounting system and present in its Financial Statements with the following items:

- Its share of the jointly controlled assets, classified according to the nature of the assets;
- Separate liabilities incurred by each party;
- Its share of joint liabilities relating to the operation of joint venture;
- Its share of income from the sale or use of the joint venture's output, together with its share of expenses incurred by the joint venture;
- Expenses incurred directly in respect of its joint venture.

For fixed assets or investment properties contributed to BCC without transferring ownership from the contributor to the joint venture, the receiver shall record them as assets held under trust without recording any increase in assets or owner's equity; the contributor shall not recognize a decrease in assets in the accounting system but shall record the location of assets.

For fixed assets or investment properties contributed to BCC and transferred from the sole ownership of contributor to the joint ownership, during the construction of jointly controlled assets, the contributor shall record a decrease in assets and a corresponding increase in construction in progress in the accounting system. After putting jointly controlled assets into operation, each party shall record an increase in their assets in accordance with their purposes of use and corresponding to their shares in assets. The excess of the fair value of shared assets and the construction expense is recorded as other income (if profit) or other costs (if loss).

Accordingly, when the jointly controlled assets come into operation, BCC shall turn into the form of jointly controlled operations. Each party may take a share of the output or revenue from the use of jointly controlled assets and may bear a share of expenses incurred in accordance with the contract's agreement.

b) BCC in the form of jointly controlled operations

All parties in the joint venture shall simultaneously do the bookkeeping in their own accounting system and present in its Financial Statements with the following items:

- Assets contributed by it and controlled by the joint venture;
- Its share of liabilities incurred;
- Its share of income from the sale of goods or rendering of services by the joint venture;
- Its share of expenses incurred.

All parties shall share revenue from the sale of goods or rendering of services and share joint expenses according to the BCC's agreements.

2.13 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses include:

- Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dongs and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line method over a period not exceeding three years.
- Fixed asset repair expenses are costs incurred for regular repairs of the water supply system, which are one-time expenses of significant value. They are allocated using the straight-line method over a period not exceeding three years.
- Land clearance compensation refers to compensation payments for land clearance related to annually leased land plots that the Company is using. These costs are allocated using the straight-line method over the corresponding lease period.
- Infrastructure rental expenses are advance payments for infrastructure that the Company manages and operates for business purposes. They are allocated using the straight-line method over the corresponding lease period.
- Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis over their estimated useful life of 12 months.

2.14 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the Financial statements according to their remaining terms at the reporting date.

2.15 . Borrowings

Borrowings and finance lease liabilities shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.16 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.17 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, , etc. which are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.18 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.19 . Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

Revenue from rendering of services:

- The percentage of completion of the transaction at the Balance sheet date can be measured reliably.

Financial income

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Company's right to receive dividend is established.

2.20 . Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labor cost and fixed manufacturing overhead cost are not allocated to the value of the warehouse inventory or provision for devaluation of inventories, losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even if the finished goods haven't been decided to be used.

2.21 . Financial expenses

Items recorded into financial expenses comprise interest expenses which are recorded by the total amount arising in the year without offsetting against financial income.

2.22 . Corporate income tax

- a) Current corporate income tax expenses and deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the period and current corporate income tax rate.

- b) Tax incentives policies

The Company is entitled to a preferential corporate income tax rate of 10% for a period of 15 years, along with a corporate income tax exemption for the first 4 years and a 50% reduction in payable tax for the following 9 years. These incentives apply from 2020 to income generated from production and business activities of the surface water plant investment project with a capacity of 30,000 m³/day and night, in accordance with Investment Policy Decision No. 668/QD-UBND dated November 13, 2018, issued by the People's Committee of Bac Ninh Province.

In 2024, the Company is entitled to a 50% reduction in corporate income tax payable, calculated at the preferential tax rate of 10% for the aforementioned production and business activities.

- c) Current corporate income tax rate

For the fiscal year ended as at December 31, 2024, the Company applies the corporate income tax rate:

- Tax rate of 10% applicable to income from production and business activities of the surface water plant investment project with a capacity of 30,000 m³/day under the Investment Policy Decision No. 668/QD-UBND dated November 13, 2018, issued by the People's Committee of Bac Ninh Province.
- Tax rate of 20% for income from remaining activities.

2.23 . Earnings per share

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

2.24 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.25 . Segment information

The Company operates in the fields of water supply, construction and installation, installation of facilities serving water supply activities, and asset leasing in Bac Ninh province. In which, revenue from water supply accounts for over 95% of the Company's total operating revenue. Therefore, the Company does not prepare segment reports by business segment and geographical segment.

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3 . CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	182,733,419	222,255,114
Demand deposits	4,272,121,463	8,210,629,997
Cash equivalents	26,531,758,904	49,506,410,959
	<u>30,986,613,786</u>	<u>57,939,296,070</u>

As of December 31, 2024, cash equivalents are term deposits from 01 month to 03 months deposited at commercial banks with interest rates from 1.6%/year to 3%/year.

4 . FINANCIAL INVESTMENTS**a) Held to maturity investments**

As of December 31, 2024, held-to-maturity investments are valued at VND 76,304,501,392, including 6-month term deposits at commercial banks with interest rates ranging from 2.9% to 4.25% per annum.

b) Investments in equity of other entities

At the beginning and end of the fiscal year, the Company's entire investment in a joint venture company was in Bac Ninh Water Supply Co., Ltd. Bac Ninh Water Supply Co., Ltd., headquartered in Que Vo Town, operates in the investment and construction of water supply and drainage works, as well as water extraction, treatment, and supply. The Company holds an interest of 60% and a voting right of 40% in this entity.

Bac Ninh Water Supply Co., Ltd. is a two-member limited liability company and a jointly controlled business entity established under a Joint Venture Agreement between the Company and Long Phuong Group Joint Stock Company, signed on November 5, 2022. The purpose of this joint venture is to invest in the construction, management, operation, and business activities of the "Investment in the Construction of a Surface Water Plant in Bac Ninh City (with a capacity of 45,000 m³/day) and transmission pipelines" (hereinafter referred to as "the Project").

During the implementation process, there were problems with land allocation and lease arrangements. On July 21, 2022, the Department of Planning and Investment of Bac Ninh province issued Document No. 1425/KHDT-KTDN, providing opinions on the land lease for the Project. Accordingly, the land allocation and land lease will be carried out under the name of the joint venture comprising Long Phuong Group Joint Stock Company and Bac Ninh Clean Water Joint Stock Company, rather than Bac Ninh Water Supply Co., Ltd. (the project enterprise)

On December 29, 2022, the Company and Long Phuong Group Joint Stock Company signed Memorandum of Agreement No. 635/BBTN/LPG-BANIWACO on the implementation method of the investment project for the construction of a surface water plant in Bac Ninh city with a capacity of 45.000m³/day and night and transmission pipelines, whereby:

- Both parties agreed to use the legal status, official seal, tax code and legal representative of Bac Ninh Clean Water Joint Stock Company for the project investment and construction activities.

- Any activities already implemented before the signing date of this memorandum of agreement do not need to be re-implemented, but the necessary transfer procedures must be completed for the Joint Venture.

The Joint Venture comprising Bac Ninh Clean Water Joint Stock Company, Long Phuong Group Joint Stock Company, and Bac Ninh Water Supply Co., Ltd. has reached written agreements regarding the transfer of rights, obligations, and payment of expenses incurred by Bac Ninh Water Supply Co., Ltd. for the Project.

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Investments in equity of other entities (continued)

In 2023, Bac Ninh Water Supply Co., Ltd. transferred part of the investment costs to the Joint Venture by issuing value-added tax (VAT) invoices, with a total transferred amount of VND 3,801,286,503 (including 8% VAT). The remaining value, which primarily includes site clearance expenses, amounts to approximately VND 23,733,659,700. Bac Ninh Water Supply Co., Ltd. is currently in the process of completing the necessary transfer procedures, which are expected to be fully completed by 2025.

In addition to the aforementioned investment cost transfers, Bac Ninh Water Supply Co., Ltd. did not engage in any other investment or business activities during the year.

5 . TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>				-
Receivables from water users in Bac Ninh area	15,374,129,943	-	19,755,276,686	-
Receivable from customers for construction services	1,690,601,028	(77,937,492)	836,324,492	-
Receivables from customers renting properties	-	-	216,430,194	-
	<u>17,064,730,971</u>	<u>(77,937,492)</u>	<u>20,808,031,372</u>	<u>-</u>

6 . PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>				-
Viet Architecture Joint Stock Company	425,763,906	-	-	-
Thang Long Investment and Building Foundation Joint Stock Company	554,352,000	-	-	-
Bac Ninh Urban Development Area Management Board	412,575,100	-	-	-
Others	654,866,108	(21,811,608)	566,413,932	-
	<u>2,047,557,114</u>	<u>(21,811,608)</u>	<u>566,413,932</u>	<u>-</u>

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7 . OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
Dividends and profits receivables	938,499,947	-	340,310,469	-
Advances	600,125,000	-	699,500,000	-
Excess compensation and site clearance amount (i)	406,340,432	(406,340,432)	406,340,432	-
Others	734,325,485	(734,325,485)	799,842,181	-
	2,679,290,864	(1,140,665,917)	2,245,993,082	-

(i) This amount represents site clearance compensation for the surplus compensated land of the Cho - Gia Binh Water Plant Project. On December 17, 2018, the People's Committee of Bac Ninh Province issued Decision No. 4859/UBND-XDCB, granting the Company permission to utilize this surplus land for the construction and expansion of a water pumping station with an area of 500 m².

8 . DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost VND	Recoverable value VND	Original cost VND	Recoverable value VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
Receivable from customers	77,937,492	-	-	-
- People's Committee of Tri Qua Commune - Thuan Thanh	47,575,492	-	-	-
- Others	30,362,000	-	-	-
Other receivables	1,140,665,917	-	-	-
- Receivable from Gia Binh Project Management Board	406,340,432	-	-	-
- Receivables from Bac Ninh drainage and wastewater treatment project	285,934,800	-	-	-
- Mr. Vu Duc Do	448,390,685	-	-	-
Payment in advance	21,811,608	-	-	-
- VIETNAM WATER AND ENVIRONMENT INVESTMENT CORPORATION - JSC	15,693,608	-	-	-
- Others	6,118,000	-	-	-
	1,240,415,017	-	-	-

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9 . INVENTORIES

	31/12/2024		01/01/2024	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw material	10,043,757,222	-	9,921,568,736	-
Tools, supplies	14,823,113	-	14,823,113	-
Work in process (i)	8,203,944,545	-	8,602,712,243	-
	<u>18,262,524,880</u>	<u>-</u>	<u>18,539,104,092</u>	<u>-</u>

Details of construction in progress as of December 31, 2024:**Project: Handling the water intake culvert incident through the dike at KM44+555**

- Location: Que Vo District, Bac Ninh Province;
- Purpose: Addressing the incident at the KM44+555 culvert of the Ta Duong dike in Que Vo District, Bac Ninh Province, as per Official Dispatch No. 533/UBND-NN dated March 2, 2018, issued by the People's Committee of Bac Ninh Province on the policy for handling water intake incidents at KM44+555 of the Ta Duong dike.
- Funding source: Self-funded by Bac Ninh Clean Water Joint Stock Company;
- Source of capital for implementation: Undertaken by Bac Ninh Clean Water Joint Stock Company.
- The value of completed works is: VND 8,203,944,545;
- Status of the project as of December 31, 2024: The project has been completed and accepted for use.

However, the Company has sent many official dispatches to the People's Committee of Bac Ninh province but the obligation for incident handling costs has not yet determined. According to Official Dispatch No. 16/TTr-NV4 dated September 29, 2020 of the Inspectorate of the People's Committee of Bac Ninh province to the Department of Agriculture and Rural Development, the following recommendations were made: Long Phuong Group Joint Stock Company is responsible for covering reasonable expenses according to regulations to address the water leakage incident at the water intake culvert through the Ta Duong dike K44+555 Que Vo; the state budget will cover additional costs for reinforcement and upgrades.

According to Decision No. 3162/UBND-XDCB dated October 28, 2022, the People's Committee of Bac Ninh province assigned the Department of Agriculture and Rural Development to preside over and coordinate with the Department of Finance, the Department of Construction, Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company to specifically determine that the incident-handling costs shall be borne by Long Phuong Group Joint Stock Company and the portion of expenses shall be covered by the state budget, to reimburse Bac Ninh Clean Water Joint Stock Company.

- At the issuance date of this report, the relevant parties were in the process of working on this matter.

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10 . LONG-TERM ASSET IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
Construction in progress		
- Construction investment project of Bac Ninh City surface water plant project (capacity 45,000m ³ /day) and transmission pipeline (i)	189,293,156,956	30,702,336,153
- Raw Water Line and Sedimentation Lake Project (ii)	180,894,074	184,734,074
- Company Headquarters Project (iii)	3,712,063,198	5,998,420,346
- Processing area - Cho Increase capacity	-	4,107,795,179
- Yen Phong II A industrial zone pipeline project (iv)	6,152,498,929	2,886,977,722
- Others	1,007,768,447	836,171,911
	<u>200,346,381,604</u>	<u>44,716,435,385</u>

Additional information for projects:**(i) Investment Project for Bac Ninh City Surface Water Plant (Capacity: 45,000 m³/day) and Transmission Pipeline**

- Investor: Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company (for details on business cooperation, see note 17).
- Purpose: The project aims to develop the Bac Ninh Surface Water Plant (capacity: 45,000 m³/day) and the transmission pipeline to supply and supplement clean water for residential, commercial, and industrial use in Bac Ninh City, Que Vo District, parts of Tien Du District, and surrounding areas.
- Total investment: VND 624,258,493,358;
- Construction site: Bong Lai commune, Que Vo district, Bac Ninh province.
- Investment capital: Bac Ninh Clean Water Joint Stock Company contributes 60% of capital and Long Phuong Group Joint Stock Company contributes 40% of capital.
- Project scale: Investment in construction of surface water plant with capacity of 45.000 m³/day and night and transmission pipeline.
- Project status as of December 31, 2024: Under construction, expected to be completed by the end of 2025.

(ii) Raw Water Line and Sedimentation Lake Project

- Investor: Bac Ninh Clean Water Joint Stock Company.
- Purpose: Expansion of the raw water pumping station, raw water pipeline, and Cho Town Water Supply Plant to ensure capacity up to 2022;
- Total investment: VND 16,010,245,000;
- Construction site: Cho town, Yen Phong district, Bac Ninh province.
- Investment capital: Company's own funds
- Project scale: Construction of 1 raw water pumping station; construction of a 2-storey pump house, (dimensions: 10.7m x 5.9m); construction of a 1-storey inlet gate outside the river, size (dimensions: 7.2m x 2.5m); construction of a box culvert (clear opening: 1.2m x 2m, concrete grade 300) to direct water to the pumping station's intake compartment and construction of a road from the foot of the dike to the pumping station (concrete grade 200, thickness: 150mm)
- Project status as of December 31, 2024: The raw water pipeline has been completed; approval for modifications to the sedimentation lake component is pending.

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(iii) Company Headquarters Construction Project

- Investor: Bac Ninh Clean Water Joint Stock Company.
- Purpose: Development of a corporate office and service facilities on the designated land in Hoa Long Commune, Bac Ninh City, Bac Ninh Province.
- Total investment: VND 98,566,745,000;
- Construction site: Hoa Long commune, Bac Ninh city, Bac Ninh province.
- Investment capital: Company's own funds and loans from credit institutions
- Project scale: Construction of office buildings, a multi-purpose building, technical infrastructure, and auxiliary structures in compliance with relevant standards, regulations, and approved construction permits.
- Project status as of December 31, 2024: Construction is expected to commence and be completed within 2025.

(iv) Clean Water Transmission Pipeline for Yen Phong II-A Industrial Park

- Investor: Bac Ninh Clean Water Joint Stock Company;
- Purpose: To supply water with adequate flow, pressure, and quality to Yen Phong II-A Industrial Park, in compliance with the signed clean water supply contract. The project contributes to the overall socio-economic development of Bac Ninh Province.
- Total investment: VND 7,965,418,000;
- Construction site: Yen Phong district, Bac Ninh province;
- Investment capital: Company's own funds, commercial loans, and other legally mobilized financial sources;
- Project scale:
 - + Additional installation of approximately 2,796 meters of HDPE D400 PN8 PE100 pipeline, connecting from the existing HDPE D250 pipeline at Doai Village, Tam Giang Commune (intersection with TL 277 Road), supplying clean water to the Yen Phong II-A Industrial Park Pumping Station;
 - + Synchronized construction of auxiliary components along the pipeline route, including sludge discharge, air release, and inspection chambers;
 - + Installation of galvanized steel pipes for above-ground sections crossing water channels.
- Project status as of December 31, 2024: The project is in its final stage of construction, with final acceptance and financial settlement expected in the first quarter of 2025.

11 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Other intangible fixed assets VND	Total VND
Historical cost			
Beginning balance	38,000,000	7,790,798,850	7,828,798,850
Ending balance of the year	<u>38,000,000</u>	<u>7,790,798,850</u>	<u>7,828,798,850</u>
Accumulated amortization			
Beginning balance	38,000,000	5,006,582,122	5,044,582,122
- Amortization for the year	-	546,288,564	546,288,564
Ending balance of the year	<u>38,000,000</u>	<u>5,552,870,686</u>	<u>5,590,870,686</u>
Net carrying amount			
Beginning balance	-	2,784,216,728	2,784,216,728
Ending balance	<u>-</u>	<u>2,237,928,164</u>	<u>2,237,928,164</u>

In which:

- Cost of fully depreciated intangible fixed assets but still in use at the end of the year: VND 38,000,000

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12 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	97,232,856,777	36,905,560,622	603,172,809,751	5,433,926,765	192,647,276,717	935,392,430,632
- Purchase in the year	-	-	-	295,414,478	-	295,414,478
- Completed construction investment	-	5,908,148,752	204,741,294	416,945,839	1,063,943,519	7,593,779,404
Ending balance of the year	97,232,856,777	42,813,709,374	603,377,551,045	6,146,287,082	193,711,220,236	943,281,624,514
Accumulated depreciation						
Beginning balance	56,575,799,708	20,428,683,571	194,299,846,916	3,013,567,866	111,991,817,277	386,309,715,338
- Depreciation for the year	4,953,372,630	3,427,188,407	27,314,249,660	773,503,858	10,586,536,276	47,054,850,831
Ending balance of the year	61,529,172,338	23,855,871,978	221,614,096,576	3,787,071,724	122,578,353,553	433,364,566,169
Net carrying amount						
Beginning balance	40,657,057,069	16,476,877,051	408,872,962,835	2,420,358,899	80,655,459,440	549,082,715,294
Ending balance	35,703,684,439	18,957,837,396	381,763,454,469	2,359,215,358	71,132,866,683	509,917,058,345

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 248,906,840,760.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 28,181,074,939.

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13 . PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
Dispatched tools and supplies	4,166,709	-
Others	118,313,133	115,892,549
	<u>122,479,842</u>	<u>115,892,549</u>
b) Long-term		
Dispatched tools and supplies	1,897,114,090	685,632,317
Prepayment of infrastructure rental (i)	8,888,120,000	4,075,000,000
Repair costs	2,777,536,828	1,151,470,829
Compensation and site clearance costs (ii)	6,852,068,377	3,774,778,566
Prepaid Land Rent	680,266,000	1,700,665,000
Others	146,020,235	154,527,112
	<u>21,241,125,530</u>	<u>11,542,073,824</u>

(i) Prepayment for leasing water supply pipeline systems from Long Phuong Group Joint Stock Company. According to the contract, the infrastructure lease term is 27 years, from 2018 to 2045. Additionally, prepaid lease payments for sedimentation tanks, culverts through the dike, pumping stations, and other related infrastructure owned by the State are recorded, with an infrastructure lease term of 50 years, commencing from the date the Bac Ninh City Surface Water Plant Construction Investment Project and the transmission pipeline are put into operation.

(ii) Reflects compensation and site clearance costs for the Company's leased land lots and is allocated according to the land lease term on the lease contracts.

14 . TRADE PAYABLES

	31/12/2024		01/01/2024	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
Others				
Viwaseen 3 Joint Stock Company	31,756,548,083	31,756,548,083	-	-
Euro Green Plastic Joint Stock Company	-	-	1,020,194,367	1,020,194,367
DNP Hawaco Joint Stock Company	32,891,400	32,891,400	1,283,072,400	1,283,072,400
Song Cau Water Supply Joint Stock Company	1,070,571,600	1,070,571,600	1,192,800,000	1,192,800,000
Vietnam Water, Sanitation and Environment Joint Stock Company	85,801,000	85,801,000	743,074,200	743,074,200
Others	7,031,128,853	7,031,128,853	6,217,894,152	6,217,894,152
	<u>39,976,940,936</u>	<u>39,976,940,936</u>	<u>10,457,035,119</u>	<u>10,457,035,119</u>

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15 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Receivable at the		Payable at the		Payable arise in the		Amount paid in the		Receivable at the		Payable at the	
	opening year	year	opening year	year	year	year	year	year	closing year	year	year	closing year
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Value added tax	-	198,446,749	-	3,841,621,729	-	3,475,923,208	-	564,145,270	-	-	-	564,145,270
Corporate income tax	-	2,537,567,208	-	10,445,096,402	-	9,376,539,034	-	3,606,124,576	-	-	-	3,606,124,576
Personal income tax	-	95,343,637	-	626,750,835	-	574,759,648	-	147,334,824	-	-	-	147,334,824
Natural resource tax	-	79,875,196	-	873,118,524	-	884,134,034	-	68,859,686	-	-	-	68,859,686
Land tax and land rental	155,805,105	-	-	526,660,816	-	370,855,711	-	-	-	-	-	-
Other taxes	-	-	-	3,000,000	-	3,000,000	-	-	-	-	-	-
Fees, charges and other payables	-	21,220,896,237	-	27,715,603,296	-	5,766,074,549	-	43,170,424,984	-	-	-	43,170,424,984
- Drainage fee (i)	-	20,781,426,840	-	21,813,216,601	-	-	-	42,594,643,441	-	-	-	42,594,643,441
- Environmental protection fees	-	439,469,397	-	5,902,386,695	-	5,766,074,549	-	575,781,543	-	-	-	575,781,543
	155,805,105	24,132,129,027	44,031,851,602	20,451,286,184	47,556,889,340							

(i) The drainage fee is a local charge collected on behalf of the authorities. The Company is currently awaiting guidance from the competent authority for submission to the state budget.

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

16 . ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
- Accrued interest expenses	79,344,885	859,688,633
- Production electricity	1,068,867,822	857,145,841
- Deduct Tet gifts in advance	632,000,000	596,600,000
- Other accrued expenses	41,400,000	88,215,599
	1,821,612,707	2,401,650,073

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17 . OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term payables		
- Trade union fund	-	178,357,550
- Surface water plant operating lease fee (i)	-	6,118,205,030
- Payable to Long Phuong Group Joint Stock Company (ii)	4,641,163,177	5,122,592,513
+ <i>Must pay depreciation</i>	1,532,748,064	1,532,748,064
+ <i>Joint Venture Profits Remaining Payable</i>	3,108,415,113	3,589,844,449
- Project support payable (iii)	3,527,462,145	3,527,462,145
- Payable to construction team	1,794,000,270	573,593,726
- Others	2,617,929,199	2,118,457,261
	<u>12,580,554,791</u>	<u>17,638,668,225</u>
b) Long-term payables		
- Project support payable (iii)	52,456,026,724	56,268,488,869
- Long Phuong Group Joint Stock Company:	39,127,064,597	36,040,505,399
+ <i>Business cooperation Project "Investment in construction of Bac Ninh surface water plant, capacity of 30,000 m3/day and night" (ii)</i>	21,841,659,563	23,374,407,603
+ <i>Business cooperation with Bac Ninh Surface Water Plant (Capacity 45.000 m3/day and night) (iv)</i>	17,285,405,034	12,666,097,796
	<u>91,583,091,321</u>	<u>92,308,994,268</u>
d) In which: Other payables to related parties		
- Long Phuong Group Joint Stock Company	43,768,227,774	41,163,097,912
- People's Committee of Bac Ninh province	55,983,488,869	65,914,156,044
	<u>99,751,716,643</u>	<u>107,077,253,956</u>

Additional information on other payables:

(i) This is the rental fee related to the operation of the Bac Ninh City Surface Water Plant, which the Company temporarily took over from the Department of Construction of Bac Ninh province on June 29, 2018 according to Document No. 1826/UBND-XDCB dated June 12, 2017 of the People's Committee of Bac Ninh province. Specifically:

- Delivering party: Department of Construction of Bac Ninh province and the investor - Long Phuong Group Joint Stock Company;
- Handover recipient: Bac Ninh Clean Water Joint Stock Company;
- Purpose: The Department of Construction entrusted the project to the Company for management, operation, and exploitation of the plant to ensure a safe and stable clean water supply.
- The Company's responsibilities:
- + Management, operation, and exploitation of the plant to ensure the safety and stability of the water supply.
- + Payments to the People's Committee of Bac Ninh province:
Operational management and exploitation costs amounting to VND 16,118,205,030 per year from 2022 onwards (as per Official Dispatch No. 1391/UBND-KTTH dated January 24, 2019, and Document No. 241/UBND-KTTH dated April 20, 2022, issued by the Bac Ninh Provincial People's Committee); and Profit-sharing from the management, operation, and exploitation of the Bac Ninh Surface Water Plant, payable to the State Budget as per regulations. The amount payable as profit for 2023 under Phase 1 of the Surface Water Plant Project, according to Resolution No. 01/2024/NQ-DHDCD dated April 19, 2024, of the General Meeting of Shareholders, is VND 4,834,692,572.

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Additional information on other payables (continued):

The Company records all financial transactions related to the operation and exploitation of the Bac Ninh City Surface Water Plant as an operating asset lease transaction.

(ii) Business cooperation contract No. 2805/HDKTKD/LP-BANIWWACO dated May 28, 2020 and Contract Appendix No. 01/PLHD dated August 30, 2022, detailed as follows:

- Parties involved: Bac Ninh Clean Water Joint Stock Company (Party A) and Long Phuong Group Joint Stock Company (Party B);

- Purpose of cooperation: To jointly invest in and develop the project "Investment in construction of Bac Ninh surface water plant, capacity of 30,000 m³/day and night" in Bong Lai commune, Que Vo district, Bac Ninh province.

- Scope of Cooperation: This agreement establishes the terms for managing, operating, and conducting business activities for the Surface Water Plant Project following the completion of its investment and construction phase, in accordance with Joint Venture Agreement No. 01/2018/TTLĐ dated October 24, 2018, and Investment Policy Decision No. 668/QĐ-UBND dated November 13, 2018, specifically:

+ Bac Ninh Clean Water Joint Stock Company is assigned the responsibilities of management, operation, accounting, revenue and expense declaration in accordance with this contract and applicable legal regulations, ensuring optimal efficiency and utilization of the project.

+ The distribution of benefits shall be agreed upon by both parties under this contract.

+ Both parties, or either party, have the right to conduct inspections and request a periodic report (quarterly review) or an ad hoc report on the project's management, operation, and business activities.

- Capital contribution and Profit sharing:

+ Party A: 60% of the total investment capital in VND; Party B: 40% of the total investment capital in VND. Asset valuation will be based on the project's final financial settlement upon completion.

+ Profit sharing: Bac Ninh Clean Water Joint Stock Company: 60% of after-tax profits; Long Phuong Group Joint Stock Company: 40% of after-tax profits.

- Regarding project asset depreciation:

+ Party A shall depreciate the Project assets into production costs in accordance with applicable legal regulations. The asset depreciation period is 20 (twenty) years from the date of signing the Minutes of handover for operational use.

+ Party A shall compensate Party B for 40% of the annual depreciation amount.

- The actual contributed capital by Long Phuong Group Joint Stock Company for the Bac Ninh surface water plant project of 30.000 m³ is VND 32,710,578,718. The accumulated repayment to Long Phuong Group as of December 31, 2024 is VND 9,336,170,551.

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Additional information for other payables (continued):

- The project is in the process of operation and business; the business results of the year of the Business Cooperation Contract are as follows:

	<u>This year</u>	<u>Last year</u>
	VND	VND
Revenue from business cooperation contract	49,971,448,000	44,756,220,000
Cost of business cooperation contract	23,632,652,786	19,598,182,872
Corporate income tax expense	1,316,939,761	-
Profit from business cooperation contract	<u>25,021,855,453</u>	<u>25,158,037,128</u>

Profit sharing according to capital contribution ratio:

- Bac Ninh Clean Water Joint Stock Company	15,013,113,272	15,094,822,278
- Long Phuong Group Joint Stock Company	10,008,742,181	10,063,214,850

Depreciation payable for the period: VND 766,374,020.

(iii) The People's Committee of Bac Ninh province provided the loan to the Company for implementing clean water projects. The annual repayment amount is determined and communicated to the Company in writing by the People's Committee.

(iv) Business cooperation contract No.0107/HDBCC/LP-BANIWACO dated July 1, 2023, detailed as follows:

- Parties involved: Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company;

- Purpose of cooperation: To collaborate on the investment, construction, and operation of the Bac Ninh Surface Water Plant with a designed capacity of 45,000 m³/day-night and its transmission pipeline system for business and profit-generation purposes.

- Cooperation scope: Joint investment and construction of the "Bac Ninh City Surface Water Plant (capacity: 45,000 m³/day-night) and its transmission pipeline system."

- Details of capital contribution:

+ Bac Ninh Clean Water Joint Stock Company: 60% of total investment capital in VND;

+ Long Phuong Group Joint Stock Company: 40% of total investment capital in VND;

+ Capital contribution process: The parties shall refer to advance payment requests and payment documentation for completed and accepted project phases as submitted by the Project Management Board for each payment period. Disbursements shall be made according to the agreed capital contribution ratio specified in this contract.

- Profit sharing:

+ Bac Ninh Clean Water Joint Stock Company: 60% of after-tax profits;

+ Long Phuong Group Corporation: 40% of after-tax profits.

- Project investment progress: For further details, refer to section (i), note 10.

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For the fiscal year ended as at 31/12/2024**18 . BORROWINGS AND FINANCE LEASE LIABILITIES**

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Current portion of long-term debts	27,699,461,227	27,699,461,227	25,502,793,848	27,699,461,226	25,502,793,849	25,502,793,849
- Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch	8,435,376,000	8,435,376,000	9,025,376,000	8,435,376,000	9,025,376,000	9,025,376,000
- Shinhan Bank Vietnam Limited - Thai Nguyen Branch	16,346,555,227	16,346,555,227	13,563,910,848	16,346,555,226	13,563,910,849	13,563,910,849
- Ministry of Finance	2,917,530,000	2,917,530,000	2,913,507,000	2,917,530,000	2,913,507,000	2,913,507,000
	27,699,461,227	27,699,461,227	25,502,793,848	27,699,461,226	25,502,793,849	25,502,793,849
b) Long-term borrowings						
- Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch	38,829,474,012	38,829,474,012	124,947,014,715	8,435,376,000	155,341,112,727	155,341,112,727
- Shinhan Bank Vietnam Limited - Thai Nguyen Branch	118,075,886,576	118,075,886,576	-	16,346,555,226	101,729,331,350	101,729,331,350
- Ministry of Finance	18,059,906,200	18,059,906,200	-	2,917,530,000	15,142,376,200	15,142,376,200
	174,965,266,788	174,965,266,788	124,947,014,715	27,699,461,226	272,212,820,277	272,212,820,277
Amount due for settlement within 12 months	(27,699,461,227)	(27,699,461,227)	(25,502,793,848)	(27,699,461,226)	(25,502,793,849)	(25,502,793,849)
Amount due for settlement after 12 months	147,265,805,561	147,265,805,561			246,710,026,428	246,710,026,428

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Details of long-term borrowings as of December 31, 2024:

No.	Lender/Credit contract	Credit limit	Loan purpose	Maturity	Interest rate	Outstanding balance as at 31/12/2024	Current portion of long-term debts	Form of guarantee (ii)
1	Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch					155,341,112,727	9,025,376,000	
1.1	Credit contract No. 02/2022/4474024/HBTD dated January 20, 2022	40,000,000,000	Investment in a pipeline from Cho town Water Plant (Yen Phong District) to Tu Son Town, providing additional water supply for the wards of Dong Ky, Dong Nguyen, and Tan Hong	96 months	A fixed interest rate of 7.1% per year for the first 24 months from the initial disbursement. Thereafter, a floating rate will apply, equivalent to the 12-month postpaid savings rate at BIDV plus a minimum margin of 3.3%, adjusted every 6 months.	30,394,098,012	9,025,376,000	Asset-backed collateral
1.2	Credit limit contract No. 01/4474024/2024/HBTD dated January 26, 2024 (*)	427,000,000,000	Construction investment of the Bac Ninh City Surface Water Plant with a capacity of 45,000 m ³ /day and its transmission pipeline.	180 months	A fixed interest rate of 7.7% per year for the first 2 years from the initial disbursement. Afterward, it will be adjusted every 6 months based on the 12-month postpaid savings rate at BIDV plus a margin of 2.5%.	124,947,014,715		Asset-backed collateral
2	Shinhan Bank Vietnam Limited - Thai Nguyen Branch					101,729,331,350	13,563,910,849	
2.1	Limit Loan Agreement No. SHBVN/TN/2022/HBTD-0070 dated February 22, 2024	146,985,000,000	Investment in the construction of a clean water transmission pipeline from the Bac Ninh Surface Water Plant to Bac Ninh City.	120 months	For the amount disbursed in the first year (no later than December 21, 2022), a fixed interest rate of 7.59% per year applies throughout the entire loan term. For the amount disbursed in the second year (no later than December 21, 2023), a fixed interest rate of 7.79% per year applies throughout the entire loan term.	101,729,331,350	13,563,910,849	Asset-backed collateral

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Details of long-term borrowings as of December 31, 2024:

No.	Lender/Credit contract	Credit limit	Loan purpose	Maturity	Interest rate	Outstanding balance as at 31/12/2024	Current portion of long-term debts	Form of guarantee (ii)
3	Ministry of Finance					15,142,376,200	2,913,507,000	
3.1	Loan Agreement dated December 16, 2009	USD 3.009.909	Construction investment of a water supply system for Cho Town (Yen Phong District) and Gia Binh Town (Gia Binh District).	20 years from the first disbursement date, including a 3-year grace period	Interest-free during the grace period, then a 3% per year applies.	14,946,399,200	2,717,530,000	Asset-backed collateral
3.2	Subsidiary Loan Agreement dated April 06, 2006	CHF 337.500	Investment in a pilot project for the design, construction, and operation of a water supply system in Lim Town, Bac Ninh Province.	20 years from the first disbursement date, including a 3-year grace period	Interest-free during the grace period, then a 6% per year applies.	195,977,000	195,977,000	Asset-backed collateral
	Total					272,212,820,277	25,502,793,849	

Note:

(i): The loan was undertaken by the joint venture of Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company from the Joint Stock Commercial Bank for Investment and Development of Vietnam to finance the project.

(ii) Loans from banks have been secured by mortgage/pledge/guarantee contracts with the lender and fully registered as secured transactions.

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19 . OWNER'S EQUITY**a) Changes in owner's equity**

	Contributed capital	Development and investment funds	Retained earnings	Total
	VND	VND	VND	VND
Beginning balance of previous year	375,493,910,000	-	18,364,268,123	393,858,178,123
Profit/loss for previous year	-	-	35,475,435,785	35,475,435,785
Profit distribution	-	-	(16,484,182,649)	(16,484,182,649)
Deduction from bonus and welfare fund	-	-	(103,429,309)	(103,429,309)
Payment of the after-tax profit of Bac Ninh Surface Water Plant to the state budget	-	-	(1,776,656,165)	(1,776,656,165)
Remuneration to the Board of Directors	-	-	(288,000,000)	(288,000,000)
Ending balance of previous year	375,493,910,000	-	35,187,435,785	410,681,345,785
Beginning balance of current year	375,493,910,000	-	35,187,435,785	410,681,345,785
Profit for current year	-	-	51,279,213,733	51,279,213,733
Deduction from Development investment fund	-	550,000,000	(550,000,000)	-
Deduction from Bonus and welfare fund	-	-	(514,218,233)	(514,218,233)
Dividend payment	-	-	(29,288,524,980)	(29,288,524,980)
Payment of the after-tax profit of Bac Ninh Surface Water Plant to the state budget (i)	-	-	(4,834,692,572)	(4,834,692,572)
Remuneration to the non-executive Board of Directors	-	-	(288,000,000)	(288,000,000)
Ending balance of this year	375,493,910,000	550,000,000	50,991,213,733	427,035,123,733

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According to the Resolution of the General Meeting of Shareholders No. 01/2024/NQ-DHCD dated April 19, 2024, the Company announces the distribution of profits in 2023 as follows:

	Rate (%)	Amount VND
Accumulated undistributed profits up to 2023	100.00%	35,475,435,785
Development investment fund	1.55%	550,000,000
Bonus and welfare fund	1.45%	514,218,233
Remuneration of Non-Executive Directors	0.81%	288,000,000
Dividend payment (equal to 7.8% of charter capital)	82.56%	29,288,524,980
Paying the post-tax profit of Bac Ninh surface water plant to the state budget (i)	13.63%	4,834,692,572

(i) Deducting the profit from the management, operation, and exploitation of the Bac Ninh Surface Water Plant for payment to the State Budget in accordance with regulations (For further details, refer to Note 17 - note (i)).

b) Details of owner's invested capital

	Rate (%)	Ending of the year VND	Rate (%)	Beginning of the year VND
People's Committee of Bac Ninh province	49.06	184,202,790,000	49.06	184,202,790,000
Long Phuong Group Joint Stock Company	35.06	131,652,450,000	35.06	131,652,450,000
Others	15.88	59,638,670,000	15.88	59,638,670,000
	<u>100.00</u>	<u>375,493,910,000</u>	<u>100.00</u>	<u>375,493,910,000</u>

c) Capital transactions with owners and distribution of dividends and profits

	Year 2024 VND	Year 2023 VND
Owner's contributed capital	375,493,910,000	375,493,910,000
- At the beginning of year	<u>375,493,910,000</u>	<u>375,493,910,000</u>
- At the ending of year	<u>375,493,910,000</u>	<u>375,493,910,000</u>
Distributed dividends and profit:		
- Dividend payable at the beginning of the year	-	-
- Dividend payable in the year:	34,123,217,552	18,260,838,814
+ Dividend payable from last year's profit	34,123,217,552	18,260,838,814
- Dividend paid in cash during the year	<u>(34,123,217,552)</u>	<u>(18,260,838,814)</u>
+ Dividend paid from last year's profit	<u>(34,123,217,552)</u>	<u>(18,260,838,814)</u>
- Dividend payable at the end of the year	<u>-</u>	<u>-</u>

d) Stock

	31/12/2024	01/01/2024
Quantity of Authorized issuing stocks	37,549,391	37,549,391
Quantity of issued shares and full capital contribution	37,549,391	37,549,391
- Common stocks	37,549,391	37,549,391
Quantity of outstanding shares in circulation	37,549,391	37,549,391
- Common stocks	37,549,391	37,549,391
Par value per stock (VND)	10,000	10,000

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f) Company's funds

	31/12/2024	01/01/2024
	VND	VND
Development investment fund	550,000,000	-
	<u>550,000,000</u>	<u>-</u>

20 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT**a) Operating asset for leasing**

The Company is currently leasing the operation of Lim Town Water Plant, Tien Du District, Bac Ninh Province to Bac Ninh Infrastructure Investment and Construction Joint Stock Company under Contract No. 04A/HDKT dated November 4, 2005; Contract No. 09/2016/PLHDKT dated November 5, 2006 and Contract Appendix No. 247/2017/PLHDKT dated May 25, 2017. According to these contracts and their appendices:

- The operating lease term extends until the end of 2028;
- The rental fee until 2028 is VND 72,143,412 per month (including 10% VAT).

b) Operating leased assets

The Company has the following operating lease commitments:

1. The Company has been temporarily assigned by the People's Committee of Bac Ninh province to manage and operate the Bac Ninh Surface Water Plant under Official Dispatch No. 1826/UBND-XDCB dated June 12, 2017. Additionally, the Company is allowed to allocate funds for the management and operation of the Bac Ninh City Surface Water Plant according to Official Dispatch No. 1391/UBND-KTTH and Official Dispatch No. 241/UBND-KTTH, both dated April 20, 2022, with an annual amount of VND 16.118.205.030 from 2022. The total project value, as recorded in the handover minutes, is VND 341,755,744,270.

2. According to the Water Pipeline Lease Contract No. 01/HDKT/2018, signed on December 20, 2017, between the Company and Long Phuong Group Joint Stock Company for the management and operation of water supply services in four communes - Bong Lai, Viet Hung, Phuong Mao, and Phuong Lieu - in Que Vo District, Bac Ninh Province:

- Lease term is from January 1, 2018 to January 1, 2045 with a total period of 27 years;
- The annual rental fee (excluding VAT) is VND 1,500,000,000 for the first three years; VND 1,700,000,000 from the fourth to the seventh year. From the eighth year onward, the rental fee will be determined through actual negotiations.

3. According to the Water Pipeline Lease Contract No. 02/HDKT/2020, signed on January 8, 2020, between the Company and Long Phuong Group Joint Stock Company for the management and operation of water supply services in three wards - Dong Ky, Dong Nguyen, and Tan Hong - in Tu Son Town, Bac Ninh Province:

- Lease term is from August 1, 2020 to January 1, 2047 with a total period of 27 years;
- The annual rental fee (excluding VAT) is VND 1,200,000,000 for the first three years; VND 1,500,000,000 from the fourth to the fifth year. From the sixth year onward, the rental fee will be determined through actual negotiations.

4. The Company has signed land lease contracts with the State for production and business purposes. According to these contracts, the Company is required to pay annual land rental fees until the contract expiration dates, in accordance with current State regulations. Information on the leased land lots is as follows:

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No.	Land plot location	Area (m2)	Lease term (years)
1	Land plot in Hoa Long commune - Headquarters	7,686.8	By year 2067
2	Land plot at Dai Phuc - transmission pipeline	5,399.4	By year 2067
3	Thua Town, Luong Tai	3,573.9	By year 2067
4	Land plot in Lai Ha, Luong Tai	634.4	By year 2067
5	Land plot in Lang Ngam (Gia Binh)	7,948.3	By year 2060
6	Hoa Long land (Wells)	125.0	By year 2063
7	Hoa Long land (MR water supply system)	1,221.9	By year 2057
8	Land plot in Cho Yen Phong town	16,502.5	By year 2064
9	Land plot in Thua town, Luong Tai	7,237.2	By year 2067
10	Land plot in Pho Moi town, Que Vo, Bac Ninh	2,058.1	By year 2067
11	Land lot in Dap Cau Ward, Bac Ninh City	9,951.8	By year 2067
12	Land plot in Noi Due, Tien Du, Bac Ninh	5,537.8	By year 2067
13	Land lot in Thi Cau ward, Bac Ninh city	575.0	By year 2067
14	Land plot in Thua town, Luong Tai	4,370.7	By year 2067
15	Land area in Dap Cau ward and Thi Cau ward, Bac Ninh	1,268.0	By year 2067
16	Land plot in Hoa Long, Bac Ninh city	1,549.7	By year 2067
17	Land in Hoa Long and Dap Cau, Bac Ninh	10,946.6	By year 2067
18	Land plot in Bong Lai, Que Vo, Bac Ninh	6,264.0	By year 2069
19	Land plot in Cho town, Yen Phong	7,526.2	By year 2067

21 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Revenue from clean water business	282,512,970,690	249,178,019,101
Revenue from construction activities	3,684,261,299	4,573,199,968
Revenue from asset leasing	787,019,040	787,019,040
	<u>286,984,251,029</u>	<u>254,538,238,109</u>

22 . COSTS OF GOODS SOLD

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Cost of clean water business	193,762,855,092	182,030,004,741
Cost of construction activities	2,534,087,668	4,241,181,366
Cost of rented assets	1,467,031,824	1,467,031,824
	<u>197,763,974,584</u>	<u>187,738,217,931</u>

In which: Purchase from related parties

Total purchase value:

(details as in Notes 32)

<u>Year 2024</u>	<u>Year 2023</u>
VND	VND
173,695,027	-
<u>173,695,027</u>	<u>-</u>

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23 . FINANCE INCOME

	Year 2024	Year 2023
	VND	VND
Interest income, interest from loans	2,813,003,054	1,655,893,572
Gain from disposal of financial investments	-	1,589,800,157
Dividends or profits received	-	132,000,000
	2,813,003,054	3,377,693,729
In which: Financial income received from related parties <i>details as in Notes 32.</i>	-	132,000,000

24 . FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	11,770,819,626	13,309,598,568
	11,770,819,626	13,309,598,568

25 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	909,057,854	417,341,776
Labour expenses	13,257,786,101	12,398,311,392
Depreciation expenses	797,673,929	488,575,990
Tax, Charge, Fee	1,805,237,248	1,072,479,009
Provision expenses	1,240,415,017	-
Expenses of outsourcing services	1,633,519,383	1,314,800,420
Other expenses in cash	485,246,501	1,431,867,180
	20,128,936,033	17,123,375,767

26 . OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Drainage and environmental protection fees	1,070,204,392	877,158,305
Others	-	4,000,000
	1,070,204,392	881,158,305

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27 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2024	Year 2023
	VND	VND
Total profit before tax	61,197,534,230	40,613,002,993
Increase	246,526,102	301,655,315
- <i>Ineligible expenses</i>	246,526,102	301,655,315
Decrease		(132,000,000)
- <i>Dividend payment</i>		(132,000,000)
Taxable income	61,444,060,332	40,782,658,308
- <i>Taxable income (Tax rate 10%)</i>	15,803,277,128	15,094,822,270
- <i>Taxable income (Tax rate 20%)</i>	45,640,783,204	25,687,836,038
Corporate income tax expense before exemption and reduction	10,708,484,353	6,647,049,435
Corporate income tax exemption and reduction	(790,163,856)	(1,509,482,227)
Current corporate income tax expense (Tax rate 20%)	9,918,320,497	5,137,567,208
Tax paid on behalf of the joint venture	526,775,905	
Tax payable at the beginning of year	2,537,567,208	317,571,750
Tax paid in the year	(9,376,539,034)	(2,917,571,750)
Corporate income tax payable at the end of the year from main business activities	3,606,124,576	2,537,567,208

28 . BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	51,279,213,733	35,475,435,785
Adjustment	(288,000,000)	(288,000,000)
- <i>Remuneration of the non-executive Board of Directors members</i>	(288,000,000)	(288,000,000)
Profit distributed for common stocks	50,991,213,733	35,187,435,785
Average number of outstanding common shares in circulation in the year	37,549,391	37,549,391
Basic earnings per share	1,358	937

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Financial Statements.

As at December 31, 2023, the Company dose not have shares with dilutive potential for earnings per share.

29 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	20,209,135,292	17,284,220,738
Labour expenses	68,887,129,187	81,281,450,387
Depreciation and amortisation	47,601,139,395	47,610,201,933
Expenses of outsourcing services	54,204,429,466	52,955,870,140
Other expenses in cash	26,592,309,579	5,814,850,500
	217,494,142,919	204,946,593,698

30 . FINANCIAL INSTRUMENTS

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Management of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company may face with the market risk such as: changes in prices, exchange rates and interest rates.

Interest rate risk

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2024				
Cash and cash equivalents	30,803,880,367	-	-	30,803,880,367
Trade receivables, other receivables	18,525,418,426	-	-	18,525,418,426
Loans	76,304,501,392	-	-	76,304,501,392
	<u>125,633,800,185</u>	<u>-</u>	<u>-</u>	<u>125,633,800,185</u>
As at 01/01/2024				
Cash and cash equivalents	57,717,040,956	-	-	57,717,040,956
Trade receivables, other receivables	23,054,024,454	-	-	23,054,024,454
Loans	18,150,800,000	-	-	18,150,800,000
	<u>98,921,865,410</u>	<u>-</u>	<u>-</u>	<u>98,921,865,410</u>

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Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2024				
Borrowings and debts	25,502,793,849	246,710,026,428	-	272,212,820,277
Trade payables, other payables	52,557,495,727	91,583,091,321	-	144,140,587,048
Accrued expenses	1,821,612,707	-	-	1,821,612,707
	<u>79,881,902,283</u>	<u>338,293,117,749</u>	<u>-</u>	<u>418,175,020,032</u>
As at 01/01/2024				
Borrowings and debts	27,699,461,227	147,265,805,561	-	174,965,266,788
Trade payables, other payables	28,095,703,344	92,308,994,268	-	120,404,697,612
Accrued expenses	2,401,650,073	-	-	2,401,650,073
	<u>58,196,814,644</u>	<u>239,574,799,829</u>	<u>-</u>	<u>297,771,614,473</u>

The Company believes that risk level of loan repayment is low (or controllable). The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

31 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD `

There have been no significant events occurring after the reporting year, which would require adjustments or disclosures to be made in the Separate financial statements.

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32 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Company are as follows:

Related parties	Relation
People's Committee of Bac Ninh province	Major shareholder
Long Phuong Group Joint Stock Company	Major shareholder
Bac Ninh Water Supply Company Limited	Associate company
Mr. Nguyen Tien Long	Chairman of the Board of General Directors
Mr. Luu Xuan Tam	Vice Chairman of the Board of Directors, General Director
Mrs. Vu Thi Chuyen	Member of the Board of Directors
Mr. Nguyen Dinh Ton	Member of the Board of Directors, Deputy General Director
Mr. Nguyen Xuan Quyet	Member of the Board of Directors <i>Appointed on May 01, 2024</i>
Mr. Ngo Minh Chau	Member of the Board of Directors <i>Resigned on May 01, 2024</i>
Mr. Tran Khanh Tinh	Deputy General Director
Mrs. Tran Thi Huong	Head of the Supervisory Board
Mr. Nguyen Hong Thien	Member of the Supervisory Board <i>Appointed on May 01, 2024</i>
Mrs. Nguyen Thi Mai Lan	Member of the Supervisory Board
Mr. Nguyen Van An	Member of the Supervisory Board <i>Resigned on May 01, 2024</i>

In addition to the information with related parties presented in the above Notes, during the year, the Company has transactions with related parties as follows:

	Year 2024	Year 2023
	VND	VND
Purchase goods and services	173,695,027	-
Long Phuong Group Joint Stock Company	164,987,027	-
Bac Ninh Water Supply Joint Stock Company No.2	8,708,000	-
Surface water plant operation rental fee	16,118,205,030	16,118,205,030
People's Committee of Bac Ninh province	16,118,205,030	16,118,205,030
Dividend payment from business operations	24,636,708,720	13,866,045,036
People's Committee of Bac Ninh province	14,367,817,620	8,086,502,481
Long Phuong Group Joint Stock Company	10,268,891,100	5,779,542,555
Paying profits from Bac Ninh surface water plant	4,834,692,572	1,776,656,165
People's Committee of Bac Ninh province	4,834,692,572	1,776,656,165
Depreciation repayment from joint venture activities	1,532,748,040	1,532,748,040
Long Phuong Group Joint Stock Company	1,532,748,040	1,532,748,040
Return on joint venture operations	20,464,423,031	10,209,569,944
Long Phuong Group Joint Stock Company	20,464,423,031	10,209,569,944
Profit sharing	-	132,000,000
Bac Ninh Water Supply Joint Stock Company No.2	-	132,000,000
Receive business cooperation capital contribution	4,619,307,238	11,145,583,195
Long Phuong Group Joint Stock Company	4,619,307,238	11,145,583,195
Receive investment project capital transfer	-	2,280,771,902
Bac Ninh Water Supply Company Limited.	-	2,280,771,902

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Transactions with other related parties:

	Year 2024	Year 2023
	VND	VND
Manager's income		
Mr. Nguyen Tien Long	120,000,000	120,000,000
Mrs. Vu Thi Chuyen	84,000,000	84,000,000
Mr. Luu Xuan Tam	726,602,815	655,000,396
Mr. Nguyen Dinh Ton	673,637,961	610,123,030
Mr. Nguyen Xuan Quyet	56,000,000	-
Mr. Ngo Minh Chau	28,000,000	84,000,000
Mrs. Tran Thi Huong	331,537,029	324,778,750
Mr. Nguyen Van An	20,000,000	60,000,000
Mrs. Nguyen Thi Mai Lan	253,200,027	244,499,056
Mr. Nguyen Hong Thien	40,000,000	-

In addition to the above related parties' transactions, other related parties did not have any transactions during the year and have no balance at the end of the accounting period with the Company.

33 . COMPARATIVE FIGURES

The comparative figures are figures in the Financial Statements for the fiscal year ended as at December 31, 2024, which was audited by AASC Auditing Firm Company Limited.




Nguyen Thi Thu Dung
Preparer



Nguyen Thi Phuong
Chief Accountant





Luu Xuan Tam
General Director

Hanoi, March 06, 2025