

HAI DUONG WATER JOINT STOCK COMPANY
AUDITED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024



HAI DUONG WATER JOINT STOCK COMPANY

Address: No. 10, Hong Quang Street, Quang Trung Ward, Hai Duong City, Hai Duong Province, Vietnam

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BOARD OF GENERAL DIRECTORS' REPORT

We, members of Board of General Directors of Hai Duong Water Joint Stock Company (hereinafter referred to as "the Company") present this Report together with the Company's audited Financial Statements for the fiscal year ended December 31, 2024.

Board of Management and Board of General Directors

Members of Board of Management and Board of General Directors who held the Company during the fiscal year ended December 31, 2024 and to the date of this report, include:

Board of Management

Mr. Vu Manh Dung	Chairman
Mr. Nguyen Van Phung	Vice Chairman
Mr. Pham Minh Cuong	Member (Resigned on 28/6/2024)
Mr. Nguyen Thanh Son	Member
Mr. Vu Van Nhan	Member
Mr. Nguyen Thai Dung	Member (Appointed on 28/6/2024)
Mr. Vu Chi Phuong	Member (Appointed on 28/6/2024)
Ms. Pham Thi Man	Member

Board of General Directors

Mr. Nguyen Thanh Son	General Director (Appointed on 07/6/2024) Deputy General Director (Resigned on 07/6/2024)
Mr. Pham Minh Cuong	General Director (Resigned on 01/5/2024)
Mr. Nguyen Van Phung	Deputy General Director
Mr. Vu Van Nhan	Deputy General Director
Mr. Nguyen Thai Dung	Deputy General Director (Appointed on 07/6/2024)

Respective responsibilities of Board of General Directors

Board of General Directors of the Company is responsible for preparing Financial Statements which give a true and fair view of the financial position, business performance and cash flows of the Company in the year, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations relating to the preparation and presentation of the Financial Statements. In the preparation of these Financial Statements, Board of General Directors is required to:

- Select suitable accounting policies and then consistently apply them;
- Make judgments and estimates that are reasonable and prudent;
- State whether appropriate accounting standards are respected or any application of material misstatements that needs to be disclosed and justified in Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the Financial Statements so as to minimize risks and frauds.

BOARD OF GENERAL DIRECTORS' REPORT

(continued)

Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the Financial Statements comply with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations relating to the preparation and presentation of the Financial Statements. Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Board of General Directors confirms that the Company has complied with the above requirements in preparing these Financial Statements.

For and on behalf of Board of General Directors,

HAI DUONG WATER JOINT STOCK COMPANY



Nguyen Thanh Son

General Director

Hai Duong, March 05, 2025



No: 1103.01 -25/BC-TC/VAE

Ha Noi, March 11, 2025

INDEPENDENT AUDITORS' REPORT

To: Shareholders
Board of Management and Board of General Directors
Hai Duong Water Joint Stock Company

We have audited the accompanying Financial Statements of Hai Duong Water Joint Stock Company (hereinafter referred to as "the Company"), prepared on March 05, 2025, from page 06 to page 33, including: Balance Sheet as at 31/12/2024, Income Statement, Cash Flow Statement for the fiscal year then ended and Notes to the Financial Statements.

Respective responsibilities of Board of General Directors

Board of General Directors of the Company is responsible for the preparation and true & fair presentation of the Financial Statements of Company in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations relating to the preparation and presentation of the Financial Statements and for such internal control as Board of Directors determines is necessary to enable the presentation of Financial Statements that are free from material misstatements whether due to fraud or error.

Respective responsibilities of Auditor

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

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

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

INDEPENDENT AUDITORS' REPORT

(continued)

Opinion

In our opinion, the Financial Statements, in all material respects, give a true and fair view of the financial position of the Company as at December 31, 2024, as well as business performance and cash flows for the fiscal year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations related to the preparation and presentation of Financial Statements.



Ngo Ba Duy

Deputy General Director - Audit Director

Certificate of audit practice registration No:

1107-2023-034-1

For and on behalf of

VIETNAM AUDITING AND EVALUATION CO., LTD

Nguyen Vu Huy

Auditor

Certificate of audit practice registration No:

2327-2024-034-1

BALANCE SHEET

As at December 31, 2024

Unit: VND

ASSETS	Codes	Notes	31/12/2024	01/01/2024
A CURRENT ASSETS	100		68,735,849,351	70,209,983,614
I Cash and cash equivalents	110		10,192,762,023	12,181,753,692
1 Cash	111	V.1.	10,192,762,023	12,181,753,692
II Short-term financial investments	120		-	-
III Short-term receivables	130		20,579,056,505	19,455,621,259
1 Short-term trade accounts receivable	131	V.2.	16,281,850,329	15,008,787,963
2 Advances to suppliers	132	V.3.	1,733,869,651	1,838,624,852
3 Other short-term receivables	136	V.4.	2,563,336,525	2,608,208,444
IV Inventories	140		35,974,456,785	37,492,013,499
1 Inventories	141	V.5.	35,974,456,785	37,492,013,499
V Other current assets	150		1,989,574,038	1,080,595,164
1 Deductible VAT	152		748,502,927	105,855,953
2 Taxes and receivables to the State budget	153	V.12.	1,241,071,111	974,739,211
B NON-CURRENT ASSETS	200		841,691,377,272	882,980,685,085
I Other long-term receivables	210		-	-
II Fixed assets	220		794,741,845,684	833,240,719,001
1 Tangible fixed assets	221	V.6.	794,655,512,351	833,040,645,672
- Historical cost	222		2,068,148,426,795	1,999,314,169,458
- Accumulated depreciation	223		(1,273,492,914,444)	(1,166,273,523,786)
2 Intangible fixed assets	227	V.7.	86,333,333	200,073,329
- Historical cost	228		855,700,000	855,700,000
- Accumulated amortization	229		(769,366,667)	(655,626,671)
III Investment property	230		-	-
IV Long-term assets in progress	240	V.8.	11,616,986,977	3,838,390,878
1 Work in progress	242		11,616,986,977	3,838,390,878
V Long-term financial investments	250		-	-
VI Other non-current assets	260		35,332,544,611	45,901,575,206
1 Long-term prepayment expenses	261	V.9.	35,332,544,611	45,901,575,206
TOTAL ASSETS (270=100+200)	270		910,427,226,623	953,190,668,699

(Notes from page 10 to page 33 are an integral part of these Financial Statements)

Form B 01 - DN

BALANCE SHEET
As at December 31, 2024
(continued)

Unit: VND

RESOURCES	Codes	Notes	31/12/2024	01/01/2024
C LIABILITIES	300		452,242,379,973	513,316,644,338
I Current liabilities	310		110,904,732,929	132,168,216,259
1 Short-term trade accounts payable	311	V.10.	56,115,265,035	70,104,347,390
2 Short-term advances from customers	312	V.11.	1,348,512,412	1,900,144,688
3 Taxes and payables to the State budget	313	V.12.	10,964,933,592	6,801,944,124
4 Payables to employees	314		8,879,440,147	6,273,037,456
5 Short-term accrued expenses	315	V.13.	154,241,320	176,275,799
6 Other short-term payables	319	V.14.	16,296,890,827	13,388,022,541
7 Short-term loans and obligations under finance lease	320	V.15.	8,863,582,450	24,949,733,219
8 Bonus and welfare fund	322		8,281,867,146	8,574,711,042
II Non-current liabilities	330		341,337,647,044	381,148,428,079
1 Other long-term payables	337	V.14.	112,490,020,313	126,894,020,313
2 Long-term loans and obligations under finance lease	338	V.15.	228,847,626,731	254,254,407,766
D OWNER'S EQUITY	400		458,184,846,650	439,874,024,361
I Owner's equity	410	V.16.	458,184,846,650	439,874,024,361
1 Owner's contributed capital	411		318,824,708,995	318,824,708,995
- Ordinary shares with voting right	411a		318,824,708,995	318,824,708,995
2 Other capital	414		82,922,526,064	82,922,526,064
3 Investment and development fund	418		10,393,383,350	7,273,531,461
4 Retained earnings	421		46,044,228,241	30,853,257,841
- Retained earnings accumulated to the prior year end	421a		-	-
- Retained earnings of the current year	421b		46,044,228,241	30,853,257,841
II Other resources and funds	430		-	-
TOTAL RESOURCES (440=300+400)	440		910,427,226,623	953,190,668,699


Hai Duong, March 05, 2025

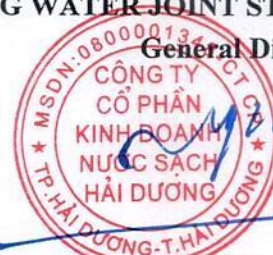
HAI DUONG WATER JOINT STOCK COMPANY

Prepared

Chief Accountant

General Director





Le Thi Quyen

Nguyen Thi Huong

Nguyen Thanh Son

(Notes from page 10 to page 33 are an integral part of these Financial Statements)

Form B 02 - DN

INCOME STATEMENT
 For the fiscal year ended December 31, 2024

Items	Cod es	Notes	Unit: VND	
			Year 2024	Year 2023 (Re-presentation)
1 Gross revenue from goods sold and services	01	VI.1.	569,438,793,798	543,262,659,045
2 Deductions	02		-	-
3 Net revenue from goods sold and services rendered (10=01-02)	10		569,438,793,798	543,262,659,045
4 Cost of sales	11	VI.2.	409,171,669,289	380,418,987,565
5 Gross profit from goods sold and services rendered (20=10-11)	20		160,267,124,509	162,843,671,480
6 Financial income	21	VI.3.	2,750,114,680	30,604,961
7 Financial expenses	22	VI.4.	15,012,535,068	21,717,088,416
<i>In which: Interest expense</i>	23		15,012,535,068	18,124,635,025
8 Selling expenses	25	VI.7.	22,829,284,735	21,760,866,746
9 General and administration expenses	26	VI.7.	66,815,496,809	60,889,775,029
10 Operating profit {30=20+(21-22)-(25+26)}	30		58,359,922,577	58,506,546,250
11 Other incomes	31	VI.5.	1,341,538,076	10,372,713
12 Other expenses	32	VI.6.	1,416,419,869	1,356,896,319
13 Profit from other activities (40=31-32)	40		(74,881,793)	(1,346,523,606)
14 Accounting profit before tax (50=30+40)	50		58,285,040,784	57,160,022,644
15 Current corporate income tax expense	51	VI.9.	12,240,812,543	12,590,709,932
16 Deferred corporate income tax expense	52		-	-
17 Net profit after corporate income tax (60=50-51-52)	60		46,044,228,241	44,569,312,712
18 Basic earning per share	70	VI.10.	1,444.19	1,320.00


Hai Duong, March 05, 2025

HAI DUONG WATER JOINT STOCK COMPANY

Prepared

Chief Accountant

General Director



Le Thi Quyen



Nguyen Thi Huong



Nguyen Thanh Son

(Notes from page 10 to page 33 are an integral part of these Financial Statements)

Form B 03 - DN

CASH FLOW STATEMENT
(Under direct method)
For the fiscal year ended December 31, 2024

Unit: VND

Items	Codes	Notes	Year 2024	Year 2023
I. Cash flow from operating activities				
1. Sales of goods and services and other income	01		636,315,571,886	613,526,711,760
2. Payment to suppliers of goods and services	02		(298,151,086,075)	(214,740,238,009)
3. Cash paid to employees	03		(103,250,969,406)	(92,811,902,846)
4. Interest expense paid	04		(15,034,569,547)	(18,314,688,797)
5. Corporate income tax paid	05		(8,231,179,796)	(17,668,551,083)
6. Other cash inflows from operating activities	06		27,920,135,144	5,367,173,469
7. Other cash outflows from operating activities	07		(101,647,382,881)	(162,332,688,192)
Net cash flow from operating activities	20		137,920,519,325	113,025,816,302
II. Cash flow from investing activities				
1. Acquisition and construction of fixed assets and other non-current assets	21		(75,939,418,952)	(60,934,783,803)
2. Interest earned, dividends and received profits	27		46,705,890	30,606,061
Net cash flow from investment activities	30		(75,892,713,062)	(60,904,177,742)
III. Cash flow from financial activities				
1. Proceeds from borrowing	33		23,260,457,575	60,661,541,316
2. Prepayment of borrowing	34		(62,051,136,189)	(79,566,892,757)
3. Dividends and profits paid to owners	36		(25,226,119,318)	(24,630,420,646)
Net cash flow from financial activities	40		(64,016,797,932)	(43,535,772,087)
Net cash flow in the period (50=20+30+40)	50		(1,988,991,669)	8,585,866,473
Cash and cash equivalents at the beginning	60		12,181,753,692	3,595,887,219
Effects of changes in foreign exchange rates	61		-	-
Cash and cash equivalents at the end of the year (70=50+60+61)	70	V.1.	10,192,762,023	12,181,753,692

Hai Duong, March 05, 2025

HAI DUONG WATER JOINT STOCK COMPANY


Prepared

Chief Accountant

General Director



Le Thi Quyen



Nguyen Thi Huong



Nguyen Thanh Son

(Notes from page 10 to page 33 are an integral part of these Financial Statements)

NOTES TO THE FINANCIAL STATEMENTS

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

I. Operational characteristics of enterprise

1. Structure of ownership

Hai Duong Water Joint Stock Company (hereinafter referred to as "Company"), was formerly Hai Duong Water One-Member Company Limited converted into a Joint Stock Company according to Decision No 1405/QD-UBND dated 06/5/2015 of the People's Committee of Hai Duong province and operated under the 5th amended Business Registration Certificate No. 0800001348 dated 05/11/2018 issued by the Department of Planning and Investment of Hai Duong province.

Under the 5th amended Business Registration Certificate No. 0800001348 dated 05/11/2018, the Company's charter capital is **VND 318,824,700,000** (Three hundred eighteen billion, eight hundred twenty-four million, seven hundred thousand dong).

The Company's shares are traded on the Upcom exchange with the stock code HDW.

2. Business domain

The company operates in the field of clean water business.

3. Business lines

- Exploiting, producing and trading clean water to serve daily life, production and other needs in Hai Duong province; Construction, planning, investment project planning, surveying, design and construction supervision of water supply and drainage projects and works;
- Producing and trading purified water./.

The Company's Head Office: No. 10, Hong Quang Street, Quang Trung Ward, Hai Duong City, Hai Duong Province, Vietnam.

4. Normal course of production and business

A normal period of production and business of the Company lasts no more than 12 months.

5. Structure of enterprise

List of affiliated units accounting and dependent accounting:

No.	Name of entity	Address
1.	Clean Water Business Branch No. 01	Viet Hoa Ward, Hai Duong City
2.	Clean Water Business Branch No. 02	Kinh Mon Town, Kinh Mon District, Hai Duong Province
3.	Clean Water Business Branch No. 03	Area 4, Ninh Giang district, Hai Duong province
4.	Clean Water Business Branch No. 04	Sao Do town, Chi Linh district, Hai Duong province
5.	Clean Water Business Branch No. 06	Thach Khoi Industrial Park, Hai Duong City
6.	Clean Water Business Branch No. 07	Thanh Hai commune, Thanh Ha district, Hai Duong province

NOTES TO THE FINANCIAL STATEMENTS (continued)

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

No.	Name of entity	Address
7.	Clean Water Business Branch No. 08	Minh Tan town, Kinh Mon district, Hai Duong province
8.	Clean Water Business Branch No. 09	Thanh Mien district, Hai Duong province
9.	Clean Water Business Branch No. 10	Tan Truong commune, Cam Giang district, Hai Duong province
10.	Clean Water Business Branch No. 11	Nam Sach town, Nam Sach district, Hai Duong province
11.	Purified Water Sales Branch	Viet Hoa Ward, Hai Duong City

6. Comparability of information on the Financial Statements

Respective information and figures in the Company's Financial Statements for the year ended 31/12/2024 are comparative.

7. Number of employees

The number of the employees as at 31/12/2024: 934 people (As at 31/12/2023: 936 people).

II. Accounting period, currency used in accounting

1. Accounting period

The Company's accounting period begins on 01/01 and ends on 31/12 every year.

2. Currency used in accounting

The currency used in accounting is Vietnam dong ("VND") accounted under the principle of historical cost, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and the legal regulations related to the preparation and presentation of Financial Statements.

III. Applied accounting regime and standards

1. Applied accounting regime and standards

The Company applies the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22/12/2014 by Ministry of Finance guiding the accounting regime for enterprises and Circular No. 53/2016/TT-BTC dated 21/3/2016 by Ministry of Finance regarding amendment to some articles of Circular No. 200/2014/TT-BTC.

2. Statement on the compliance to Accounting Standards and Accounting regime

The Company's Financial Statements are prepared and presented in accordance with current Vietnamese Accounting Standards and Vietnamese Accounting regime for enterprises and relevant legal regulations to the preparation and presentation of the Financial Statements.

IV. Significant accounting policies

1. Foreign exchange rates applied in accounting

Exchange rates for translating transactions denominated in foreign currencies in the period are the exchange rates of the Commercial Bank where the Company has that transaction at the time of occurrence.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Exchange rates for revaluation of monetary items denominated in foreign currencies are the rates announced by the Commercial Bank where that foreign currency account is opened on the reporting date, thereby:

- Exchange rates for revaluation of items denominated in foreign currencies and classified as assets are the buying rates of the Commercial Bank where that foreign currency account is opened on the reporting date;
- Exchange rates for revaluation of items denominated in foreign currencies and classified as liabilities are the selling rates of the Commercial Bank where that foreign currency account is opened on the reporting date. Particularly for loans from Vietnam Development Bank - Northeast Regional Branch, the Company revaluates according to the central exchange rate announced by the State Bank of Vietnam.

2. Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

3. Principle for recognizing cash

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

4. Accounting principle of accounts receivable

Receivables are stated at book value less provision for doubtful debts. Classification of receivables is made on the following principle:

- Trade accounts receivable consist of receivables with their commercial nature arising from transactions with their purchasing-selling nature between the Company and buyers who are independent entities from the Company.
- Other receivables consist of receivables with their non-commercial nature, not related to transactions with their purchasing-selling nature.

Provisions for doubtful debts are made for receivables that have passed the due dates stated in contracts, agreements or commitments for payments that have been repeatedly requested by the Company but are yet to be recovered or other unrecoverable accounts from debtors who are insolvent under liquidation, bankruptcy or similar difficulty.

Increase, decrease in provision for doubtful debts to be made at the accounting period end shall be recognized into general administration expenses.

5. Principle for recognizing inventories

Inventory is determined on the basis of a lower price between the original price and the net realizable value. Inventory cost includes purchase costs, processing costs, and other directly related costs incurred (if any) to obtain inventory at its current location and state.

Net realizable value is determined as the estimated selling price of inventories during the normal business period minus the estimated costs to complete and necessary estimated costs to sell.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Value of inventories is determined under the weighted average system and accounted for by the perpetual method.

Provision for devaluation of the Company's inventory is made in accordance with current accounting regulations. Accordingly, the Company is allowed to make provisions for devaluation of obsolete, damaged, poor quality inventory and in case the original price of the inventory is higher than the net realizable value at the end of the fiscal year.

As at 31/12/2024, the Company had no inventories that need to make provision.

6. Principle for fixed asset recognition and depreciation

6.1 Principle for tangible fixed asset recognition and depreciation

Tangible fixed assets are recognized at their historical cost, presented in the Balance Sheet under the items of historical cost, accumulated depreciation and carrying amount.

The historical cost of procured tangible fixed assets includes their purchase price and directly related costs to bring such assets into the ready-for-use state. For fixed assets formed by capital construction investment by contracting method or self-construction and production, the original price is the final settlement price of the construction project according to the current Investment and Construction Management Regulations, other directly related costs and registration fees (if any). In case the project has been completed and put into use but the final settlement has not been approved, the historical cost of the fixed assets is recorded at the provisional price based on the actual costs spent to acquire the fixed assets. The provisionally calculated original price will be adjusted according to the final price approved by the competent authorities.

The cost of self-constructed or makeshift tangible fixed assets comprises actual price of such tangible fixed assets and cost of installation and commissioning.

The expenses incurred after the initial recognition of tangible fixed assets are recorded as the increases of historical cost of assets when these expenses are sure to increase economic benefits in the future. The incurred expenses which do not satisfy the above conditions are recognized into operating expenses in the period.

The Company applied straight-line depreciation method to tangible fixed assets. Tangible fixed assets are accounted and classified into groups by their nature and purpose of utilization in the Company's production and business operation, including:

<i>Type of fixed assets</i>	<i>Depreciation duration <years></i>
- Land, building and architectural objects	10 - 50
- Machinery, equipment	06 - 12
- Means of transport, transmission equipment	08 - 30
- Managerial equipment, tools	04 - 06
- Other fixed assets	04 - 12

Profits and losses arising when liquidating or selling assets are the difference between the income from liquidation and the remaining value of the asset and are recorded in the income statement.

6.2 Principle for intangible fixed asset recognition and amortization

Intangible fixed assets are recognized at their historical cost, presented in the Balance Sheet under the items of historical cost, accumulated amortization and carrying amount.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Intangible fixed asset of the Company is computer software. Costs in relation to computer software programs are not an integral part of the relevant capitalized hardware. Historical costs of computer softwares is the whole expenditure paid by the Company until the softwares are put into use. Computer softwares are amortized on straight line basis for 05 years.

7. Principle for recognizing cost of construction in progress

Construction in progress of the Company is investment cost for construction of clean water tanks, booster pump stations... in Hai Duong province, recorded at cost. This cost includes necessary costs to form assets including construction costs, equipment, other costs and related interest costs in accordance with the Company's accounting policies. These costs will be converted to the original cost of fixed assets according to the provisional price (if there is no approved settlement) when the assets are handed over and put into use.

According to the State's regulations on investment and construction management, depending on management decentralization, the settlement value of completed basic construction works needs to be approved by competent authorities. Therefore, the final value of the value of capital construction works may change and depends on the settlement approved by the competent authorities.

8. Principle for recognition and allocation of prepaid expenses

Prepaid expenses consist of actual expenses incurred but related to the business performance of many accounting periods. Prepaid expenses include tools, instruments issued for use awaiting for allocation and fixed assets repair cost.

Tools, instruments: Tools and instruments which were exported for use and allocated into expenses on straight-line basis for a period not exceeding 3 years.

Fixed assets repair cost: are the main costs that arise periodically during the asset's useful life. These costs are initially recorded at cost and allocated to the income statement on a straight-line basis over a period not exceeding 3 years.

9. Accounting principle for liabilities

Account payables are payables to suppliers and others. Account payables include trade account payables and other liabilities. Account payables is not recognised lower than its repayment obligation.

Account payables are classified as ruled below:

- Trade account payables comprise liabilities of commercial nature arising from purchasing goods, services, assets for which the suppliers are independent from buyers;
- Other payables comprise non-commercial amounts unrelative to purchasing-selling transactions.

Accounts payables are recognised in terms of suppliers and due dates.

10. Principle for recognizing loans

The Company's loans include loans from Vietnam Development Bank - Northeast Regional Branch (formerly Vietnam Development Bank - Vietnam Development Bank Branch in Hai Duong - Hung Yen), Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch and Joint Stock Commercial Bank for Investment and Development of Vietnam - Hai Duong Branch, recognized on the basis of receipt vouchers, bank documents, loan contracts and finance lease agreements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

By the reporting date, for loans from Vietnam Development Bank - Northeast Regional Branch denominated in foreign currencies, the Company revaluates according to the central exchange rate announced by the State Bank of Vietnam.

11. Principle for recognition and capitalization of borrowing costs

Borrowing costs consist of loan interest and other costs that incurs in direct connection with the borrowings.

Borrowing costs are recognized into operation and production costs in the year if arising, unless they are capitalized in accordance with Accounting Standard "Borrowing Costs". As a result, borrowing costs which directly relate to procurement, construction investment or production of properties that need a quite long period to be completed for putting into operation or business shall be plus in historical cost of property until such property would be put into use or business. The incomes arising from the temporary investment of loans are deducted from the historical cost of related assets. For a separate loan for the construction of fixed assets and investment property, borrowing cost is capitalized even if the construction period is less than 12 months.

12. Principle for recognizing accrued expense

Accrued expenses is borrowing cost payable, determined based on the contract, loan agreement and actual loan period.

Accrued expenses on production and business expenses in the period are calculated strictly with reasonable and reliable evidence on the expenses to be accrued in the period to ensure the accounting expenses payable to be accounted will match the actual costs incurred.

13. Principle for recognizing owner's equity

Capital investment of the Company's owners is recognized by shareholders' actual capital contribution.

Other capital of the owner is the value transferred from investment and development fund that has formed fixed assets.

Retained earnings are the profit amounts from enterprise's business operation after deducting CIT expense this year.

The distribution of profit among shareholders is considered by taking account for non-cash items included in the retained earnings that may have impact on the cash flow and payment ability of dividend such as revaluation gain over of monetary items.

Dividend is recognized as a payable upon approval by the Annual General Meeting of shareholders.

14. Principle and method of recognizing revenue

Revenue of the Company includes revenue from clean water supply revenue, pipeline installation revenue, other revenue and interest income, exchange rate difference interest.

Revenue from sales of merchandise and finished goods

Revenue from selling merchandise and finished goods is recognized upon simultaneously meeting the following five (5) conditions as follows:

- The Company has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

- The Company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- Turnover is determined with relative certainty. In case the contract specifies that buyers have the right to return goods or products that were bought under specific terms, the revenue is only recognized when these specific terms no longer exist and the buyers have no right to return goods or products (except for the case that customers can return goods as exchange to other goods or services);
- The Company gained or will gain economic benefits from the sale transaction; and
- It is possible to determine the costs related to the goods sale transaction.

Revenue from services rendered

Revenue from a service rendered is recognized when the outcome of such transaction is determined reliably. In case such transaction of services rendered is related to many periods, the revenue is recognized in the period corresponding to the completed work item as at the cut-off date of the Financial Statements for such period. Revenue from service provision is determined when it satisfies all the four (4) conditions below:

- Turnover is determined with relative certainty. In case the contract specifies that buyers have the right to return services that were bought under specific terms, the revenue is only recognized when these specific terms no longer exist and the buyers have no right to return services rendered;
- It is possible to obtain economic benefits from the service provision transaction.
- The work volume completed on the cut-off date of the Financial Statements can be determined; and
- The costs incurred from the transaction and the costs of its completion can be determined.

Interest income

Interest amounts are recognized on accrual basis, being determined on balances of deposits and actual interest rate in the period.

15. Principle and method of recognizing financial expense

Financial expense recognized in Income Statement is the total financial expense incurred in the period, all of which are interest expenses.

16. Tax liabilities

Value added tax (VAT)

The Company declares and calculates VAT under the guidelines of current value added tax law.

Corporate income tax

Corporate income tax presents the total amount of current tax payable.

Current tax payable is calculated on taxable profit in the year. Taxable income differs from net profit presented in the Income Statement because taxable income does not include assessable incomes or expenses or deductible one in other years (including losses carried forward, if any) and it further excludes items that are non-taxable or non-deductible.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

The Company applies corporate income tax rate at 20% on taxable profit.

The corporate income tax of the Company is determined in conformity with current tax regulations. However, these regulations may change from time to time and the final determination of corporate income tax will depend on the tax check results of competent tax authorities.

Other taxes

Other taxes and fees are declared and paid to the local tax authorities in compliance with the current regulations of the State.

17. Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other business segments. The Board of General Directors believes that the Company's main activities are providing clean water, installing pipelines and operating in a single geographical area, Vietnam. Therefore, the Company does not present segment reports according to business lines and geographical areas according to Vietnamese Accounting Standard No. 28 - Segment reporting.

V. Additional information of items presented in Balance Sheet

1. Cash

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	1,984,731,087	3,866,636,762
Cash in bank	8,091,908,184	8,315,116,930
Cash in transit	116,122,752	
Total	10,192,762,023	12,181,753,692

2. Trade accounts receivable

Unit: VND

	31/12/2024		01/01/2024	
	Amount	Provision	Amount	Provision
Short-term				
Iservice JSC	3,647,062,650	-	1,499,328,600	-
Viet Duc DIC	5,665,106,213	-	4,768,312,273	-
Dai An., JSC	2,916,204,400	-	3,656,547,003	-
Thai Hoc Long Xuyen Clean Water JSC	637,205,940	-	287,903,700	-
Con Son Building Materials JSC	409,007,000	-	509,007,000	-
Others	3,007,264,126	-	4,287,689,387	-
Total	16,281,850,329	-	15,008,787,963	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

3. Advances to suppliers

	31/12/2024 VND	01/01/2024 VND
<i>Short-term</i>		
Minh Quang Mechanical Trading and Construction Co., Ltd	496,966,499	228,966,499
Thanh Dong Construction Investment Consultancy JSC	-	767,550,898
Thanh Mai Trading and Construction Co., Ltd	-	196,651,999
Nam Thanh E&C JSC	650,000,000	-
Hai Duong Planning and Construction Designing Consulting JSC	438,845,920	178,463,520
Others	148,057,232	466,991,936
Total	1,733,869,651	1,838,624,852

4. Other receivables

Unit: VND

	31/12/2024		01/01/2024	
	Amount	Provision	Amount	Provision
<i>Short-term</i>				
Other receivables	95,588,427	-	79,625,321	-
<i>PIT receivable to employees</i>	95,588,427	-	79,625,321	-
Mortgages, deposits	342,118,140	-	342,118,140	-
Other payable debit balance	2,125,629,958	-	2,186,464,983	-
<i>Ngo Hai Lam (*)</i>	1,153,509,000	-	1,072,638,600	-
<i>Nguyen Ngoc Long (*)</i>	972,120,958	-	1,113,826,383	-
Total	2,563,336,525	-	2,608,208,444	-

(*) The amount of money the Company advances to Branch Directors to carry out projects.

5. Inventories

	31/12/2024 VND		01/01/2024 VND	
	Cost	Provision	Cost	Provision
Raw materials	34,949,034,227	-	35,716,806,350	-
Tools, instruments	666,170,904	-	1,058,297,032	-
Work in progress	320,549,782	-	590,337,051	-
Finished goods	38,701,872	-	126,573,066	-
Total	35,974,456,785	-	37,492,013,499	-

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

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HAI DUONG WATER JOINT STOCK COMPANY

Address: No. 10, Hong Quang Street, Quang Trung Ward, Hai Duong City, Hai Duong Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements

Unit: VND

6. Increases, decreases of tangible fixed assets	Items	Land, building and architectural objects	Machinery, equipment	Means of transport, transmission equipment	Managerial equipment, tools	Other fixed assets	Total
<i>Historical cost</i>							
	Balance as at 01/01/2024	485,272,574,785	291,986,518,120	1,198,456,611,115	5,284,232,615	18,314,232,823	1,999,314,169,458
	Reclassify	(1,714,643,031)	6,903,610,525	(5,150,267,494)	(38,700,000)	-	-
	Purchase in the year	-	4,099,651,155	-	-	-	4,099,651,155
	Completed capital construction investment	23,264,034,460	10,724,826,346	33,551,245,823	620,716,224	-	68,160,822,853
	Liquidation and sale	-	-	(629,470,197)	-	-	(629,470,197)
	Reduced due to demolition	(893,017,464)	-	(888,012,275)	-	-	(1,781,029,739)
	Reduced according to settlement and inspection	(71,839,803)	(237,407,208)	(706,469,724)	-	-	(1,015,716,735)
	Balance as at 31/12/2024	505,857,108,947	313,477,198,938	1,224,633,637,248	5,866,248,839	18,314,232,823	2,068,148,426,795
<i>Accumulated depreciation</i>							
	Balance as at 01/01/2024	263,301,246,914	220,378,638,866	661,017,018,503	3,952,150,234	17,624,469,269	1,166,273,523,786
	Reclassify	(56,776,623)	-	56,776,617	6	-	-
	Depreciation in the year	26,936,811,663	14,098,955,166	67,454,641,940	312,943,275	254,645,717	109,057,997,761
	Liquidation and sale	-	-	(629,470,197)	-	-	(629,470,197)
	Reduced due to demolition	(697,679,686)	-	(511,457,220)	-	-	(1,209,136,906)
	Balance as at 31/12/2024	289,483,602,268	234,477,594,032	727,387,509,643	4,265,093,515	17,879,114,986	1,273,492,914,444
<i>Net book value</i>							
	As at 01/01/2024	221,971,327,871	71,607,879,254	537,439,592,612	1,332,082,381	689,763,554	833,040,645,672
	As at 31/12/2024	216,373,506,679	78,999,604,906	497,246,127,605	1,601,155,324	435,117,837	794,655,512,351

Historical cost of tangible fixed assets that have been fully depreciated but still in use at the year end: VND 420,835,537,703 (As at 31/12/2023: VND 383,343,108,737).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

7. Increases, decreases of intangible fixed assets

Items	Programs, softwares	Unit: VND
		Total
<i>Historical cost</i>		
Balance as at 01/01/2024	855,700,000	855,700,000
Balance as at 31/12/2024	855,700,000	855,700,000
<i>Accumulated amortization</i>		
Balance as at 01/01/2024	655,626,671	655,626,671
Amortization in the year	113,739,996	113,739,996
Balance as at 31/12/2024	769,366,667	769,366,667
<i>Net book value</i>		
As at 01/01/2024	200,073,329	200,073,329
As at 31/12/2024	86,333,333	86,333,333

Historical cost of intangible fixed assets which has been fully depreciated but still in use with the value of VND 287,000,000.

8. Long-term assets in progress

	31/12/2024	01/01/2024
	VND	VND
<i>Work in progress</i>		
Construction of booster pump station in Vinh Hong, Binh Giang	-	2,575,448,764
Renovating and adding water supply pipeline to Phan Dinh Phung street from Cam Thuong Water Plant to Hoang Ngan street	4,638,277,120	-
Moving HDPE D225 pipe for clearance to upgrade Hiep Luc street, Ho Chi Minh monument, provincial road 396	2,560,292,433	-
Construction and renovation of the working house of Sao Do Station, Clean Water Business Branch No. 04	2,960,057,164	-
Other projects	1,458,360,260	1,262,942,114
Total	11,616,986,977	3,838,390,878

9. Prepayment expenses

	31/12/2024	01/01/2024
	VND	VND
<i>Long-term</i>		
Issued tools and instruments awaiting for allocation	7,942,354,626	7,775,792,232
Cost of major repairs of fixed assets	27,390,189,985	38,125,782,974
Total	35,332,544,611	45,901,575,206

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

10. Trade accounts payable

Unit: VND

	31/12/2024		01/01/2024	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
a) Short-term				
Phu Thai Import Export Trading Investment JSC	1,557,238,600	1,557,238,600	3,318,868,200	3,318,868,200
Ngoc Chau Construction Trading Co., Ltd	1,575,955,107	1,575,955,107	4,550,897,107	4,550,897,107
Cuc Phuong JSC	20,971,268,354	20,971,268,354	15,911,743,999	15,911,743,999
DNP Hawaco JSC	5,230,782,900	5,230,782,900	10,484,385,300	10,484,385,300
Huyen Duong Co., Ltd	928,059,861	928,059,861	4,185,284,041	4,185,284,041
Phuc Hung Hai Duong Water Supply JSC	1,277,775,880	1,277,775,880	1,999,309,840	1,999,309,840
Others	24,574,184,333	24,574,184,333	29,653,858,903	29,653,858,903
Total	56,115,265,035	56,115,265,035	70,104,347,390	70,104,347,390

b) Trade accounts payable as related parties: Details are presented in Note VIII.2

11. Advances from customers

	31/12/2024	01/01/2024
	VND	VND
Short-term		
Hai Duong Department of Construction	-	559,735,414
FLC Group JSC	1,102,100,957	1,102,100,957
Others	246,411,455	238,308,317
Total	1,348,512,412	1,900,144,688

12. Taxes and payables to the State budget

Unit: VND

	01/01/2024	Amounts payable in the year	Amounts paid in the year	31/12/2024
a) Payables				
Output Value added tax	12,121,447	9,292,098,405	9,291,540,204	12,679,648
Corporate income tax	3,249,370,390	12,240,812,543	8,231,179,796	7,259,003,137
Natural resource tax	183,843,170	2,052,799,575	2,053,453,395	183,189,350
Fees, charges and other payables	3,356,609,117	40,659,938,783	40,506,486,443	3,510,061,457
Total	6,801,944,124	64,245,649,306	60,082,659,838	10,964,933,592

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

b) Receivables

Personal income tax	974,739,211	714,292,295	977,823,141	1,238,270,057
Land and housing tax	-	219,514,679	222,315,733	2,801,054
Total	974,739,211	933,806,974	1,200,138,874	1,241,071,111

13. Accrued expenses

	31/12/2024	01/01/2024
	VND	VND
<i>Short-term</i>		
Interest expense	154,241,320	176,275,799
Total	154,241,320	176,275,799

14. Other payables

	31/12/2024	01/01/2024
	VND	VND
<i>a) Short-term</i>	16,296,890,827	13,388,022,541
Trade union fee	149,209,928	155,704,399
Other payables	16,147,680,899	13,230,818,142
<i>Mac Huy Hoang</i>	136,909,164	136,909,164
<i>Ngo Hai Lam</i>	1,532,013,837	666,935,121
<i>Nguyen Duc Hai</i>	744,899,177	851,806,709
<i>Vu Ba Long</i>	503,157,369	432,714,295
<i>People's Committee of Hai Duong province (1)</i>	7,202,000,000	8,000,000,000
<i>Forest Protection and Development Fund (2)</i>	3,001,018,852	-
<i>Others</i>	3,027,682,500	3,142,452,853
Short-term collaterals, deposits received	-	1,500,000
<i>b) Long-term</i>	112,490,020,313	126,894,020,313
People's Committee of Hai Duong province (1)	98,824,000,000	113,228,000,000
Material grant of Oret project - Dutch ODA (3)	13,666,020,313	13,666,020,313
Total	128,786,911,140	140,282,042,854

(1) Amount payable to the People's Committee of Hai Duong province for the budget allocation for rural clean water projects. At the same time, according to Decision No. 529/QD-UBND dated 10/02/2017 of the People's Committee of Hai Duong province on "Approving the plan for depreciation and payment to the State budget of the State Budget capital supporting the rural clean water supply project", the project's depreciation period is 20 years from the time the project is completed, handed over and put into use. The amount of construction depreciation is paid into the State Budget according to the provisions of Article 21, Circular No. 54/2013/TT-BTC dated 04/5/2013 of the Ministry of Finance.

(2) Amount payable for forest environmental service fees.

(3) Funded by Dutch ODA through the Ministry of Finance to grant materials to construct the Oret project - Dutch ODA.

c) Other payables as related parties: Details are presented in Note VIII.2

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

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HAI DUONG WATER JOINT STOCK COMPANY

Address: No. 10, Hong Quang Street, Quang Trung Ward, Hai Duong City, Hai Duong Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

15. Loans and obligations under finance lease

Unit: VND

	31/12/2024		In the year		01/01/2024	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
a) Short-term						
Short-term borrowing						
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch (1)	8,863,582,450	8,863,582,450	8,863,582,450	24,949,733,219	24,949,733,219	24,949,733,219
Current portion of long-term debt						
Vietnam Development Bank - Northeast Regional Branch (2)	-	-	-	16,086,150,769	16,086,150,769	16,086,150,769
	-	-	-	16,086,150,769	16,086,150,769	16,086,150,769
b) Long-term						
Vietnam Development Bank - Northeast Regional Branch (2)	228,847,626,731	228,847,626,731	23,260,457,575	48,667,238,610	254,254,407,766	254,254,407,766
Vietnam Development Bank - Northeast Regional Branch (2)	99,294,969,058	99,294,969,058	-	19,970,927,410	119,265,896,468	119,265,896,468
Joint Stock Commercial Bank for Investment and Development - Hai Duong Branch (3)	27,880,932,695	27,880,932,695	1,516,817,800	3,957,311,200	30,321,426,095	30,321,426,095
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch (4)	101,671,724,978	101,671,724,978	21,743,639,775	24,739,000,000	104,667,085,203	104,667,085,203
Total	237,711,209,181	237,711,209,181	32,124,040,025	73,616,971,829	279,204,140,985	279,204,140,985

(1) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch:

- Loan under limit loan contract No. 25.10/2023-HDCVHM/NHCT340-KDNSHD dated 27/10/2023. The minimum loan interest rate is 6.5%/year and is an adjustable interest rate adjusted once a month. The loan was settled during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

(2) Loans from Vietnam Development Bank - Northeast Regional Branch are ODA loans:

- ODA loan funded by the Japanese government. This loan was disbursed by Vietnam Development Bank - Northeast Regional Branch under ODA loan contract No. 01/2014/TDNN dated 24/3/2004, the loan interest rate is 0.45%/month. The loan is secured in the form of trust.

- ODA loan funded by the Dutch government. This loan was disbursed by Vietnam Development Bank - Northeast Regional Branch under ODA loan contract No. 01/2008/HDODA - NHPTVN dated 12/11/2008. Collateral: assets formed from loan capital. The loan interest rate is 0%/year, in case of overdue debt, late payment interest will apply.

- Loan under the Re-lending Agreement dated 16/7/2009 between the Ministry of Finance and Hai Duong Water One-Member Company Limited (pursuant to Development Credit Agreement No. 4038-VN dated 15/7/2005), the loan interest rate is 3.0%/year.

(3) Loans from Joint Stock Commercial Bank for Investment and Development - Hai Duong Branch:

- Loan under credit contract No. 01/2018/214051/HDTD dated 11/5/2018, floating interest rate. The loan is secured by assets formed from loan capital. Mortgage Agreement for assets to be formed in the future No. 01/2018/214051/HDBD dated 11/5/2018, the total value of mortgaged assets rounded up is VND 30,779 billion.

- Loan under credit contract No. 01/2023/214051/HDTD dated 27/4/2023, floating interest rate adjusted every 6 months or upon notice from the Bank. Security interest: Mortgage Agreements for future assets signed on 11/5/2018 and 27/4/2023.

- Loan under credit contract No. 02/2023/214051/HDTD dated 21/9/2023, floating interest rate adjusted every 6 months or upon notice from the Bank. Security interest: Mortgage Agreements for assets formed in the future signed on 11/5/2018, 27/4/2023 and 25/9/2023.

- Loan under credit contract No. 03/2023/214051/HDTD dated 08/11/2023, floating interest rate adjusted every 6 months or upon notice from the Bank. Security interest: Mortgage Agreements for assets formed in the future signed on 11/5/2018, 27/4/2023, 25/9/2023 and 08/11/2023.

(4) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch:

- Loan under credit contract No. 21.07/CNHD9/2017/HDCVDADT/KDNS dated 28/7/2017, loan interest rates according to each debt receipt. The security contract is real estate Mortgage Agreement No. 21.07/CNHD9/2017/HĐTC/KDNS. The loan was settled during the year.

- Loan under credit contract No. 12.10/CNHD9/2017/HDCVDADT/KDNS dated 16/10/2017, loan interest rates according to each debt receipt.

- Loan under credit contract No. 27.10/CNHD9/2017/HDCVDADT/KDNS dated 27/10/2017, loan interest rates according to each debt receipt.

- Loan under credit contract No. 27.08/2018-HDCVDADT/NHCT340-KDNSHD, loan interest rates according to each debt receipt. The guarantee terms are specified in the Mortgage Agreement for assets formed in the future No. 27.08/2018/HDBD/NHCT340/KDNSHD.

- Loan under credit contract No. 30.08/2019-HDCVDADT/NHCT340-KDNSHD dated 30/8/2019, loan interest rates according to each debt receipt. The guarantee terms are specified in the Mortgage Agreement for assets formed in the future No. 30.08/2019/HDBD/NHCT340/KDNSHD dated 30/08/2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

- Loan under credit contract No. 13.01/2020-HDCVDADT/NHCT340-KDNSHD dated 15/01/2020, loan interest rates according to each debt receipt. The guarantee terms are specified in the Mortgage Agreement for assets formed in the future No. 13.01/2020/HDBD/NHCT340/KDNSHD/VIETHOA dated 14/01/2020.
- Loan under credit contract No. 10.06/2020-HDCVDADT/NHCT340-KDNSHD dated 12/6/2020, loan interest rates according to each debt receipt.
- Loan under credit contract No. 15.10/2020-HDCVDADT/NHCT340-KDNSHD dated 15/10/2020, loan interest rates according to each debt receipt.
- Loan under credit contract No. 16.11/2020-HDCVDADT/NHCT340-KDNSHD dated 19/11/2020, loan interest rates according to each debt receipt.
- Loan under credit contract No. 06/2021-HDCVDADT/NHCT340-KDNSHD dated 17/6/2021, loan interest rates according to each debt receipt.
- Loan under credit contract No. 21.06/2021-HDCVDADT/NHCT340-KDNSHD dated 25/6/2021, loan interest rates according to each debt receipt.
- Loan under credit contract No. 21.10/2021-HDCVDADT/NHCT340-KDNSHD dated 28/10/2021, loan interest rates according to each debt receipt.
- Loan under credit contract No. 25.10/2021-HDCVDADT/NHCT3400-KDNSHD dated 28/10/2021, loan interest rates according to each debt receipt.
- Loan under credit contract No. 15.07/2022-HDCVDADT/NHCT340-KDNSHD dated 22/7/2022, loan interest rates according to each debt receipt. The guarantee terms are specified in the Mortgage Agreement for assets formed in the future No. 15.07/2022-HDCVDADT/NHCT340-KDNSHD.
- Loan under credit contract No. 15.07.01/2022-HDCVDADT340-KDNSHD dated 26/7/2022, loan interest rates according to each debt receipt.
- Loan under credit contract No. 21.09/2022-HDCVDADT/NHCT340-KDNSHD dated 27/9/2022, loan interest rates according to each debt receipt.
- Loan under credit contract No. 02/2024-HDCVDADT/NHCT340-KDNSHD dated 04/3/2024, loan interest rates according to each debt receipt.
- Loan under credit contract No. 02/2024-HDCVDADT/NHCT340-KDNSHD/TBVINHONG dated 11/4/2024, loan interest rates according to each debt receipt. The security contract is real estate mortgage contract No. 02/2024/HDBD/NHCT340/KDNSHD/VINHONG.
- Loan under credit contract No. 03/2024-HDCVDADT/NHCT340-KDNSHD/THUCKHANG dated 15/5/2024, loan interest rates according to each debt receipt.
- Loan under credit contract No. 06/2024-HDCVDADT/NHCT340-KDNSHD/VINHONGGD3 dated 14/6/2024, loan interest rates according to each debt receipt. The security contract is real estate mortgage contract No. 06/2024/HDBD/NHCT340/KDNSHD/VINHONGGD3.
- Loan under credit contract No. 07/2024-HDCVDADT/NHCT340-KDNSHD dated 22/08/2024, loan interest rates according to each debt receipt.
- Loan under credit contract No. 08/2024-HDCVDADT/NHCT340-KDNSHD dated 23/08/2024, loan interest rates according to each debt receipt.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

16. Owner's equity**a) Movement in owner's equity**

Items	Owner's contributed capital	Other capital	Retained earnings after tax	Unit: VND
				Total
Balance as at 01/01/2023	318,824,708,995	79,500,393,282	24,883,608,889	423,208,711,166
Profit in the previous year	-	-	44,569,312,712	44,569,312,712
Other increases	-	3,422,132,782	-	3,422,132,782
Dividends	-	-	(24,868,326,600)	(24,868,326,600)
Distributed to funds	-	-	(15,282,289)	(15,282,289)
Other reductions	-	-	(13,716,054,871)	(13,716,054,871)
Balance as at 31/12/2023	318,824,708,995	82,922,526,064	30,853,257,841	432,600,492,900
Profit in this year	-	-	46,044,228,241	46,044,228,241
Dividends (*)	-	-	(25,248,931,882)	(25,248,931,882)
Distributed to funds (*)	-	-	(5,604,325,959)	(5,604,325,959)
Số dư tại ngày 31/12/2024	318,824,708,995	82,922,526,064	46,044,228,241	447,791,463,300

(*) Distribute funds and distribute dividends from profit after tax in 2023 according to Resolution of the 2024 Annual General Meeting of Shareholders No. 1956/NQ/DHDCD dated 28/6/2024.

b) Details of owner's equity

	31/12/2024	01/01/2024
	VND	VND
People's Committee of Hai Duong province	207,236,068,995	207,236,068,995
Phuc Hung Hai Duong Water Supply JSC	39,000,000,000	39,000,000,000
Xuan Hung Water Supply JSC	15,000,000,000	15,000,000,000
Mr. Pham Minh Cuong	1,174,030,000	1,174,030,000
Mr. Nguyen Duc Thuan	5,000,000,000	5,000,000,000
Others	51,414,610,000	51,414,610,000
Total	318,824,708,995	318,824,708,995

c) Capital transactions with owners, dividend distribution and shared profit

	Year 2024	Year 2023
	VND	VND
Owner's contributed capital		
Contributed at current period's opening balance	318,824,708,995	318,824,708,995
Contributed at current period's closing balance	318,824,708,995	318,824,708,995
Paid dividend, shared profit	25,248,931,882	24,868,326,600

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

d) Shares

	31/12/2024	01/01/2024
	Shares	Shares
Number of shares registered for issue	31,882,470	31,882,470
Number of shares issued to the public	31,882,470	31,882,470
- Ordinary shares	31,882,470	31,882,470
Number of outstanding shares in circulation	31,882,470	31,882,470
- Ordinary shares	31,882,470	31,882,470
- Par value of outstanding shares: VND 10,000		

e) Funds of the Company

Items	01/01/2024	Increase	Decrease	Unit: VND
				31/12/2024
Investment and development fund	7,273,531,461	3,119,851,889	-	10,393,383,350
Total	7,273,531,461	3,119,851,889	-	10,393,383,350

*** Purpose of setting up and using enterprise funds**

The enterprise's Development and Investment fund is used to expand the scale of production, business or in-depth investment of the enterprise, in accordance with the provisions of the Company's charter.

VI. Additional information for items presented in Income Statement

1. Gross revenue from goods sold and services rendered

	Year 2024	Year 2023
	VND	VND
Revenue from clean water supply	557,547,961,850	531,808,538,200
Revenue from pipeline installation	10,058,331,845	9,693,335,884
Other revenue	1,832,500,103	1,760,784,961
Total	569,438,793,798	543,262,659,045

2. Cost of sales

	Year 2024	Year 2023
	VND	VND
Cost of clean water supply activities	399,775,131,052	371,415,234,658
Cost of pipeline installation activities	9,396,538,237	9,003,752,907
Total	409,171,669,289	380,418,987,565

3. Financial income

	Year 2024	Year 2023
	VND	VND
Interest from bank deposits	46,705,890	30,604,961
Exchange rate difference interest due to year-end revaluation	2,702,253,190	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Other financial income	1,155,600	-
Total	2,750,114,680	30,604,961
4. Financial expenses	Year 2024	Year 2023
	VND	VND
Interest expense	15,012,535,068	18,124,635,025
Exchange rate difference loss due to year-end revaluation	-	3,592,453,391
Total	15,012,535,068	21,717,088,416
5. Other income	Year 2024	Year 2023
	VND	VND
Value of materials recovered from dismantling assets	393,975,276	-
Collect VAT on excluded invoices	701,847,565	-
Collect money to support the Company's Trade Union's sports movement	-	10,000,000
Other income	245,715,235	372,713
Total	1,341,538,076	10,372,713
6. Other expenses	Year 2024	Year 2023
	VND	VND
Taxes, fines and penalties for late payment of taxes and insurance	359,427,053	747,753,330
Costs for dismantling assets to clear land for road construction	665,549,314	125,278,855
Adjusting and reducing deductible input VAT	140,598,722	483,649,069
Cost of unfinished works not implemented	166,161,136	-
Other expenses	84,683,644	215,065
Total	1,416,419,869	1,356,896,319
7. Selling expenses and general and administration expenses	Year 2024	Year 2023
	VND	VND
a) Selling expenses incurred in the year	22,829,284,735	21,760,866,746
Sales staff expenses	14,493,283,185	14,185,925,397
Tools and instruments	1,030,938,393	1,080,098,508
External services expenses	5,752,268,157	5,046,997,841
Others expenses in cash	1,552,795,000	1,447,845,000
b) General and administration expenses incurred in the year	66,815,496,809	60,889,775,029
Staff expenses	22,905,668,865	21,869,676,535
Stationery cost	2,148,919,687	2,998,195,376

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Depreciation of fixed assets	8,419,257,532	8,318,511,316
Taxes, fees and charges	268,869,112	709,096,923
External services expenses	17,987,664,403	19,804,215,447
Other expenses in cash	15,085,117,210	7,190,079,432
Total	89,644,781,544	82,650,641,775

8. Production cost by factor

	Year 2024	Year 2023
	VND	VND
Cost of raw materials	70,213,689,959	44,810,312,083
Labor costs	127,358,374,930	118,659,639,289
Fixed asset depreciation expense	109,171,737,757	109,714,451,587
Cost of outside services	109,419,265,432	90,545,656,842
Other costs in cash	82,944,509,370	99,816,470,116
Total	499,107,577,448	463,546,529,917

9. Current corporate income tax expenses

	Year 2024	Year 2023
	VND	VND
Accounting profit before corporate income tax	58,285,040,784	57,160,022,644
Corporate income tax non-deductible expense	2,919,021,931	3,127,757,526
Corporate income tax assessable income	61,204,062,715	60,287,780,170
Current corporate income tax rate	20%	20%
Corporate income tax expense calculated on current taxable incomes	12,240,812,543	12,057,556,034
Adjustment of Corporate income tax expense in prior years into current Corporate income tax this period	-	533,153,898
Total current corporate income tax expense	12,240,812,543	12,590,709,932

10. Basic earning per share

	Year 2024	Year 2023
	VND	(Re-presentation) VND
Accounting profit after corporate income tax	46,044,228,241	44,569,312,712
Adjustments to increase or decrease accounting profits to determine profits or losses allocated to shareholders owning ordinary shares:	-	(2,484,474,070)
Decreased amount	-	2,484,474,070
+ Amount deducted for bonus and welfare fund (*)	-	2,484,474,070
Profit or loss allocated to shareholders owning ordinary shares	46,044,228,241	42,084,838,642
Average number of ordinary shares outstanding during the year	31,882,470	31,882,470
Basic earnings per share (**)	1,444.19	1,320.00

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

(*) For the fiscal year ended 31/12/2024, the Company has not planned to make deductions to the bonus and welfare fund, so the profits used to allocate to shareholders owning common shares have not been excluded from the welfare and bonus fund.

(**) The Company makes a retrospective restatement the basic earnings per share for 2023 due to the impact of deductions to bonus and welfare funds according to Resolution of the 2024 Annual General Meeting of Shareholders No. 1956/NQ/DHDCD dated 28/6/2024, as follows:

	Year 2023		
	Before adjustment VND	Adjustments VND	After adjustment VND
Accounting profit after corporate income tax	44,569,312,712	-	44,569,312,712
+ Adjustments to increase or decrease accounting profits to determine profits or losses allocated to shareholders owning ordinary shares:	-	(2,484,474,070)	(2,484,474,070)
- Increased amount	-	-	-
- Decreased amount	-	2,484,474,070	2,484,474,070
+ Amount deducted for bonus and welfare fund	-	2,484,474,070	2,484,474,070
Profit allocated to shareholders owning ordinary shares	44,569,312,712	(2,484,474,070)	42,084,838,642
Average number of ordinary shares outstanding during the year	31,882,470	-	31,882,470
Basic earnings per share	1,397.93		1,320.00

VII. Additional information for items presented in the Cash Flow Statement

	Year 2024 VND	Year 2023 VND
1. Non-cash transactions that affect the Cash Flow Statement in the future		
Exchange rate difference interest from revaluation foreign currency borrowings from Vietnam Development Bank - Northeast Regional Branch	2,702,253,190	-
Exchange rate difference loss from revaluation foreign currency borrowings from Vietnam Development Bank - Northeast Regional Branch	-	3,592,453,391
2. The actual proceeds from borrowing during the year		
Proceeds from borrowing under normal contracts	23,260,457,575	60,661,541,316
3. The amount actually repaid to the loan principal during the year		
Amount repaid to loan principal according to normal contract	62,051,136,189	79,566,892,757

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

VIII. Other information

1. Subsequent events after reporting period

Board of General Directors confirms that, according to Board of General Directors, in all material respects, there are no unusual events arising after the balance sheet date which affects the financial position and operation of the Company that needed to be adjusted or presented on the Financial Statements for the fiscal year ended 31/12/2024.

2. Transactions and balances with related parties

Related parties of the Company include: Key members, individuals who are related to key members and other related parties.

() List of related parties*

<u>Related parties</u>	<u>Relationship</u>
People's Committee of Hai Duong province	Shareholder owns 65% of shares
Phuc Hung Hai Duong Water Supply JSC	Shareholder owns 12% of shares and whose representative is a member of the Board of Management
Vu Manh Dung	Chairman
Nguyen Van Phung	Vice Chairman and Deputy General Director
Pham Minh Cuong	Member of the Board of Management, General Director (Resigned on 01/5/2024)
Nguyen Thanh Son	Member of the Board of Management and General Director (Appointed on 07/6/2024)
Vu Van Nhan	Member of the Board of Management and Deputy General Director
Nguyen Thai Dung	Member of the Board of Management (Appointed on 28/6/2024) and Deputy General Director (Appointed on 07/6/2024)
Vu Chi Phuong	Member of the Board of Management (Appointed on 28/6/2024)
Nguyen Thi Huong	Chief Accountant
Tran Thi Thanh Ngan	Head of the Control Board
Nguyen Thi Thu Hang	Member of the Control Board
Tran Thi Hue	Member of the Control Board
Pham Thi Man	Member of the Board of Management

() During the year, the Company has entered into its significant transactions with related parties as follows:*

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Purchase		
Phuc Hung Hai Duong Water Supply JSC	14,108,774,400	13,266,032,400

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Dividend payment

People's Committee of Hai Duong province	16,411,645,299	16,164,412,680
Phuc Hung Hai Duong Water Supply JSC	3,088,527,000	3,042,000,000

(*) Balances with related parties

	31/12/2024	01/01/2024
	VND	VND
Trade accounts payable		
Phuc Hung Hai Duong Water Supply JSC	1,277,775,880	1,999,309,840
Other payables		
People's Committee of Hai Duong province	106,026,000,000	121,228,000,000

(*) Remuneration entitled to key management members in the year as follows:

	Year 2024	Year 2023
	VND	VND
1. Income of Board of Management, Board of General Directors and other management members	2,714,061,511	2,563,534,528
2. Income of Control Board	617,878,863	575,045,260
Total	3,331,940,374	3,138,579,788

Details of the income of key management members in the year as follows:

		Year 2024	Year 2023
		VND	VND
Income of Board of Management, Board of General Directors and other management members			
Vu Manh Dung	Chairman	552,439,889	504,167,936
Nguyen Van Phung	Vice Chairman and Deputy General Director	462,852,040	416,077,031
Pham Minh Cuong	Member of the Board of Management, General Director (Resigned on 01/5/2024)	174,067,270	426,621,205
Nguyen Thanh Son	Member of the Board of Management and General Director (Appointed on 07/6/2024)	450,154,180	394,914,741
Vu Van Nhan	Member of the Board of Management and Deputy General Director	429,422,930	390,404,957
Nguyen Thai Dung	Member of the Board of Management (Appointed on 28/6/2024) and Deputy General Director (Appointed on 07/6/2024)	164,652,029	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

Notes are an integral part of these Financial Statements and they shall be read in conjunction with such enclosed Financial Statements)

Nguyen Thi Huong	Chief Accountant	408,473,173	369,588,658
Pham Thi Man	Member of the Board of Managemen	72,000,000	61,760,000
Income of Control Board			
Tran Thi Thanh Ngan	Head of the Control Board	287,368,860	294,113,600
Nguyen Thi Thu Hang	Member of the Control Board	165,958,961	168,323,660
Tran Thi Hue	Member of the Control Board	164,551,042	112,608,000
Total		3,331,940,374	3,138,579,788

3. Comparative information

Comparative figures are the figures of the audited Financial Statements for the fiscal year ended December 31, 2023 of Hai Duong Water Joint Stock Company by Vietnam Auditing and Evaluation Co., Ltd.

Hai Duong, March 05, 2025

HAI DUONG WATER JOINT STOCK COMPANY

Prepared



Le Thi Quyen

Chief Accountant



Nguyen Thi Huong

General Director



Nguyen Thanh Son

