

**NAM DINH WATER SUPPLY
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 50 /CV-NDW

Nam Dinh, date 17th January, 2025

REGULAR INFORMATION DISCLOSURE OF FINANCIAL REPORT

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, Nam Dinh Water Joint Stock Company publishes Financial Statements 2024 to the Hanoi Stock Exchange as follows:

1. Organization Name: Nam Dinh Water Supply Joint Stock Company

- Stock code: NDW

- Address: 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province.

- Phone: 02283649510

Fax: 02283636679

- Email:

Website: capnuocnamdinh.vn

2. Content of the disclosed information:

- Audited Financial Statements for 2024.

Separate financial report (individual entity with no subsidiaries and the parent accounting unit has no subordinate units);

Consolidated financial report (with subsidiaries);

Combined financial report (with subordinate accounting units under the separate accounting apparatus).

- Cases requiring explanation of causes:

+ The auditor's opinion is not an unqualified opinion regarding the financial report (for the audited financial report of 2024):

Yes

No

Explanation document in case of "Yes":

Yes

No



+ The after-tax profit in the reporting period has a discrepancy before and after the audit of 5% or more, switching from loss to profit or vice versa (for the audited financial report of 2024):

Yes

No

Explanation document in case of "Yes":

Yes

No

+ The after-tax profit from corporate income tax in the income statement of the reporting period changes by 10% or more compared to the same period last year:

Yes

No

Explanation document in case of "Yes":

Yes

No

+ The after-tax profit in the reporting period incurs a loss, switching from profit in the same period last year to loss in this period or vice versa:

Yes

No

Explanation document in case of "Yes":

Yes

No

This information has been published on the Company's website on 11/03/2025 at the link: capnuocnamdinh.vn.

We hereby commit that the disclosed information is accurate and we take full responsibility before the law for the content of the disclosed information.

Attached documents:

- Audited Financial Statements for 2024;

**REPRESENTATIVE OF THE
ORGANIZATION
LEGAL REPRESENTATIVE**



Sy Long Nguyen

NAM DINH WATER SUPPLY JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2024



March 2025

NAM DINH WATER SUPPLY JOINT STOCK COMPANY

No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province

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NAM DINH WATER SUPPLY JOINT STOCK COMPANY

No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province

**STATEMENT OF THE CHAIRMAN OF THE BOARD OF MANAGEMENT
AND THE EXECUTIVE BOARD**

The Chairman of the Board of Management and the Executive Board of Nam Dinh Water Supply Joint Stock Company (the "Company") presents this report together with the Company's audited financial statements for the year ended 31 December 2024.

THE BOARD OF MANAGEMENT AND THE EXECUTIVE BOARD

The members of the Board of Management and the Executive Board of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Mr. Tran Dang Quy	Chairman (Dismissal of Chairman of the Board of Management on 3 July 2024 Dismissal of Member of Board of Management on 30 August 2024)
Mr. Nguyen Sy Long	Chairman (Appointed on 3 July 2024)
Mr. Dinh Van Hoa	Vice Chairman
Mr. Tran Ngoc Chien	Vice Chairman (Appointed on 3 July 2024)
Mr. Tran Hong Duc	Member (Appointed on 30 August 2024)
Mr. Do Huu Minh	Member
Mr. Tran Ngoc Bao	Member
Ms. Kieu Hai Anh	Member

Executive Board

Mr. Dinh Van Hoa	General Director (Appointed on 11 July 2024)
Mr. Nguyen Sy Long	General Director (Dismissed on 11 July 2024)
Mr. Tran Ngoc Chien	Deputy General Director
Mr. Mai Manh Hung	Deputy General Director (Appointed on 11 July 2024)
Mr. Do Huu Minh	Deputy General Director
Ms. Tran Thi Hong Phan	Chief Accountant

Board of Supervisors

Ms. Nguyen Thi Luyen	Head of Board of Supervisors
Mr. Nguyen Van Ngoc	Member
Mr. Tran Hong Duc	Member (Dismissed on 30 August 2024)
Mr. Pham Dinh Tai	Member (Appointed on 30 August 2024)

Legal representative

The legal representative of the Company during the year and to the date of this report is as follows:

<u>Full name</u>	<u>Position</u>
Mr. Nguyen Sy Long	Chairman of the Board of Management

CHAIRMAN OF THE BOARD OF MANAGEMENT AND EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Chairman of the Board of Management and the Executive Board of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Chairman of the Board of Management and the Executive Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the 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 errors and frauds.

NAM DINH WATER SUPPLY JOINT STOCK COMPANY

No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province


**STATEMENT OF THE CHAIRMAN OF THE BOARD OF MANAGEMENT
AND THE EXECUTIVE BOARD (CONTINUED)**

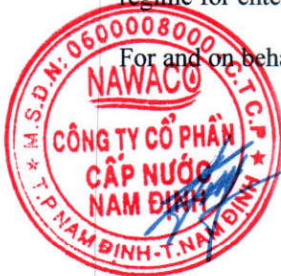
**CHAIRMAN OF THE BOARD OF MANAGEMENT AND EXECUTIVE BOARD'S STATEMENT OF
RESPONSIBILITY (CONTINUED)**

The Chairman of the Board of Management and the Executive Board 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, accounting regime for enterprises and legal regulations relating to financial reporting. The Chairman of the Board of Management and the Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

In the Chairman of the Board of Management and the Executive Board's opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

For and on behalf of the Chairman of the Board of Management and the Executive Board, 



Nguyen Sy Long
Chairman of the Board of Management
Nam Dinh, 10 March 2025

No: 053/VACO/BCKiT.NV2

INDEPENDENT AUDITORS' REPORT

**To: The shareholders, the Board of Management and the Executive Board
Nam Dinh Water Supply Joint Stock Company**

We have audited the accompanying financial statements of Nam Dinh Water Supply Joint Stock Company (the "Company"), prepared on 10 March 2025 as set out from page 4 to page 28, which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement for the year then ended and the notes to the financial statements (the "financial statements").

Chairman of the Board of Management and Executive Board's Responsibility

The Chairman of the Board of Management and the Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Chairman of the Board of Management and the Executive Board determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Auditors' Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of Company as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Nguyen Duc Tien
Deputy General Director
Audit Practising Registration Certificate
No. 0517-2023-156-1

For and on behalf
VACO AUDITING COMPANY LIMITED
Hanoi, 10 March 2025



Nguyen Viet Thieu
Auditor
Audit Practising Registration Certificate :
No. 4244-2023-156-1

BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A - CURRENT ASSETS	100		110,940,485,327	105,735,662,855
I. Cash and cash equivalents	110	4	82,896,342,372	79,170,391,110
1. Cash	111		14,773,410,865	32,170,391,110
2. Cash equivalents	112		68,122,931,507	47,000,000,000
II. Short-term receivables	130		11,294,336,173	4,775,478,946
1. Short-term trade receivables	131	5	2,247,445,206	1,968,503,070
2. Short-term advances to suppliers	132	6	6,899,395,574	1,206,403,918
3. Other short-term receivables	136	7	2,147,495,393	1,600,571,958
III. Inventories	140	8	15,989,562,167	21,416,634,173
1. Inventories	141		19,392,331,320	24,907,711,685
2. Provision for devaluation of inventories	149		(3,402,769,153)	(3,491,077,512)
IV. Other short-term assets	150		760,244,615	373,158,626
1. Value added tax deductibles	152		647,051,408	111,897,026
2. Taxes and other receivables from the State budget	153	9	113,193,207	261,261,600
B - NON-CURRENT ASSETS	200		360,660,063,802	375,962,390,759
I. Fixed assets	220		325,775,782,199	346,108,214,649
1. Tangible fixed assets	221	10	325,528,367,855	345,661,500,331
- Cost	222		1,248,329,208,247	1,216,714,287,425
- Accumulated depreciation	223		(922,800,840,392)	(871,052,787,094)
2. Intangible fixed assets	227	11	247,414,344	446,714,318
- Cost	228		1,702,865,000	1,702,865,000
- Accumulated amortisation	229		(1,455,450,656)	(1,256,150,682)
II. Long-term assets in progress	240		18,007,554,497	16,295,412,802
1. Long-term construction in progress	242	12	18,007,554,497	16,295,412,802
III. Other long-term assets	260		16,876,727,106	13,558,763,308
1. Long-term prepayments	261	13	16,876,727,106	13,558,763,308
TOTAL ASSETS (270 = 100 + 200)	270		471,600,549,129	481,698,053,614

BALANCE SHEET (CONTINUED)

As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C - LIABILITIES	300		103,569,975,638	113,627,774,528
I. Current liabilities	310		59,140,443,617	64,074,448,507
1. Short-term trade payables	311	14	2,924,862,402	5,181,330,181
2. Short-term advances from customers	312	15	2,453,510,409	5,211,178,299
3. Taxes and amounts payable to the State budget	313	9	3,664,330,170	1,065,337,834
4. Payables to employees	314		18,674,921,258	17,271,538,460
5. Short-term accrued expenses	315	16	4,114,479,351	1,597,081,580
6. Other current payables	319	17	9,407,542,345	8,255,138,997
7. Short-term loans and obligations under finance leases	320	18	4,054,068,000	13,917,864,286
8. Short-term provisions	321		2,383,822,628	2,644,516,328
9. Bonus and welfare funds	322		11,462,907,054	8,930,462,542
II. Long-term liabilities	330		44,429,532,021	49,553,326,021
1. Other long-term payables	337	17	24,850,471,801	25,920,197,801
2. Long-term loans and obligations under finance leases	338	18	19,579,060,220	23,633,128,220
D - EQUITY	400		368,030,573,491	368,070,279,086
I. Owner's equity	410	19	368,030,573,491	368,070,279,086
1. Owner's contributed capital	411		343,117,480,000	343,117,480,000
- Ordinary shares carrying voting rights	411a		343,117,480,000	343,117,480,000
2. Treasury shares	415		(845,370,000)	(845,370,000)
3. Investment and development fund	418		11,564,765,405	9,870,614,405
4. Retained earnings	421		14,193,698,086	15,927,554,681
- Retained earnings of the current year	421b		14,193,698,086	15,927,554,681
TOTAL RESOURCES (440 = 300+ 400)	440		471,600,549,129	481,698,053,614



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Nguyen Sy Long
Chairman of the Board of Management
Nam Dinh, 10 March 2025

Tran Thi Hong Phan
Chief Accountant

Vu Duc Trong
Preparer

INCOME STATEMENT
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	20	277,709,914,944	270,142,295,337
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		277,709,914,944	270,142,295,337
4. Cost of sales	11	21	184,831,890,166	177,927,787,283
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		92,878,024,778	92,214,508,054
6. Financial income	21	23	1,149,411,206	696,241,336
7. Financial expenses	22	24	2,342,055,788	3,938,123,108
- In which: Interest expense	23		2,342,055,788	3,938,123,108
8. Selling expenses	25	25	27,025,212,409	25,318,304,324
9. General and administration expenses	26	25	26,244,218,787	26,373,286,681
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		38,415,949,000	37,281,035,277
11. Other income	31	26	1,541,944,168	1,650,043,775
12. Other expenses	32	27	2,335,832,399	1,751,395,734
13. Profit from other activities (40 = 31 - 32)	40		(793,888,231)	(101,351,959)
14. Accounting profit before tax (50 = 30 + 40)	50		37,622,060,769	37,179,683,318
15. Current corporate income tax expense	51	28	4,260,655,803	4,138,104,637
16. Net profit after corporate income tax (60 = 50 - 51)	60		33,361,404,966	33,041,578,681
17. Basic earnings per share	70	29	975	849



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Nguyen Sy Long
Chairman of the Board of Management
Nam Dinh, 10 March 2025

Tran Thi Hong Phan
Chief Accountant

Vu Duc Trong
Preparer

CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Profit before tax	01	37,622,060,769	37,179,683,318
2. Adjustments for:			
- Depreciation and amortisation of fixed assets and investment property	02	53,470,188,211	66,625,573,053
- Provisions	03	(88,308,359)	(315,874,542)
- (Gain)/loss from investing activities	05	(303,040,197)	(617,140,056)
- Interest expense	06	2,397,411,395	3,938,123,108
3. Operating profit before movements in working capital	08	93,098,311,819	106,810,364,881
- (Increase)/Decrease in receivables	09	(181,203,601)	1,857,763,433
- (Increase)/Decrease in inventories	10	609,833,668	(7,196,560,790)
- Increase/(Decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	8,197,961,051	(10,362,043,536)
- (Increase)/Decrease in prepaid expenses	12	(6,075,631,688)	(2,017,504,793)
- Interest paid	14	(2,307,091,788)	(3,945,851,796)
- Corporate income tax paid	15	(2,500,000,000)	(2,800,000,000)
- Other cash outflows	17	(1,366,461,633)	(764,333,633)
Net cash generated by/(used in) operating activities	20	89,475,717,828	81,581,833,766
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets	21	(43,717,382,053)	(28,276,883,844)
2. Interest earned, dividends and profits received	27	1,126,479,699	696,241,336
Net cash generated by/(used in) investing activities	30	(42,590,902,354)	(27,580,642,508)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	-	19,956,413,543
2. Repayment of borrowings	34	(13,917,864,286)	(14,385,654,257)
3. Dividends and profits paid	36	(29,240,999,926)	(41,864,504,295)
Net cash generated by/(used in) financing activities	40	(43,158,864,212)	(36,293,745,009)
Net increase/(decrease) in cash (50 = 20 + 30 + 40)	50	3,725,951,262	17,707,446,249
Cash and cash equivalents at the beginning of the year	60	79,170,391,110	61,462,944,861
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	82,896,342,372	79,170,391,110



Nguyen Sy Long
 Chairman of the Board of Management
 Nam Dinh, 10 March 2025

Tran Thi Hong Phan
 Chief Accountant

Vu Duc Trong
 Preparer

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Structure of ownership

Nam Dinh Water Supply Joint Stock Company (hereinafter referred to as “the Company”) is a Joint Stock Company converted from Nam Dinh Clean Water Business One Member Limited Liability Company under Decision No. 1616/QĐ-UBND dated 19 July 2017 of Nam Dinh Provincial People’s Committee on approving the equitization of Nam Dinh Clean Water Business One Member Limited Liability Company.

The Company operates under Business Registration Certificate No. 0600008000 dated 9 September 2024 issued by the Department of Planning and Investment of Nam Dinh province.

The Company’s head office is located at No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province.

The Company’s charter capital is VND 343,117,480,000.

The number of employees as at 31 December 2024 was 501 (as at 31 December 2023: 492).

Operating industry and principal activities

The operating industry of the Company includes:

- Exploitation, production, and trading of clean water for domestic use, production, and other needs within Nam Dinh Province;
- Installation of technology and water supply pipelines;
- Construction of water supply projects, civil and industrial works;
- Consultancy and design of water projects;
- Production and trading of purified drinking water;
- Production and trading of water industry materials and chemicals.

The principal activities of the Company are: Production and trading of water industry materials and chemicals, and installation of technology and water supply pipelines.

Normal production and business cycle

The Company’s normal production and business cycle is carried out for a time period of 12 months or less.

Company’s structure

<u>Units</u>	<u>Address</u>
Head Office	No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Đĩnh Province.
Thien Truong Purified Water Branch	No. 30 Cu Chinh Lan Street, Vi Xuyen Ward, Nam Dinh City, Nam Đĩnh Province.
Truc Ninh Water Supply Branch No. 2	Bac Giang Residential Group, Cat Thanh Town, Truc Ninh District, Nam Dinh Province.
Loss Prevention Branch	No. 1 Do Quan Street, Cua Nam Ward, Nam Dinh City, Nam Dinh Province.
Construction and Installation Branch	D3 Road, Hoa Xa Industrial Park, My Xa Ward, Nam Dinh City, Nam Dinh Province.
Nam Dinh Clean Water Business Branch	No. 681 Tran Nhan Tong Street, Vi Xuyen Ward, Nam Dinh City, Nam Dinh Province.
Vu Ban Water Supply Branch	Quang Cu Village, Tam Thanh Commune, Vu Ban District, Nam Dinh Province.
Y Yen Water Supply Branch	Zone E, Lam Town, Y Yen District, Nam Dinh Province.
Truc Ninh Water Supply Branch No. 1	Thuong Village, Co Le Town, Truc Ninh District, Nam Dinh Province.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION (CONTINUED)**Statement on comparability of information in financial statements**

Comparative figures in the financial statements for the year ended 31 December 2024 are those in the audited financial statements for the year ended 31 December 2023.

2. FINANCIAL YEAR, APPLIED ACCOUNTING STANDARDS AND REGIME**Financial year**

The Company's financial year begins on 1 January and ends on 31 December.

Applied accounting regime

The Company applied Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

Declaration of compliance with accounting standard and accounting regime

The Chairman of the Board of Management and the Executive Board ensures to comply with the requirements of Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparation of financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Accounting convention**

The financial statements are prepared on a time basis (except for information relating to cash flows).

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Chairman of the Board of Management and the Executive Board 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 Chairman of the Board of Management and the Executive Board's best knowledge, actual results may differ from those estimates.

Evaluation and recognition at fair value

According to the Law on Accounting came into effect from 1 January 2017, which included regulations on evaluation and recognition at fair value. However, there is no specific instruction for this matter; therefore, the Chairman of the Board of Management and the Executive Board has considered and applied as follows:

- a) *Financial instruments are recognized and revaluated at fair value based on historical cost less provisions (if any) in accordance with current regulations.*
- b) *For assets and liabilities (except items a as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise cost of purchases and other directly attributable expenses, direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method and account for inventory in perpetual method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Costs incurred after initial recognition are only recorded as an increase in the original cost of fixed assets if it is certain that these costs will increase future economic benefits from the use of such assets. Costs that do not satisfy the above conditions are recorded as expenses in the year.

When fixed assets are sold or disposed of, their cost and accumulated depreciation are written off and any gain or loss resulting from their disposal is recognized in income or expense for the year.

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

	Years of depreciation
Buildings and structures	05 - 25
Machinery and equipment	03 - 15
Motor vehicles	03 - 16
Office equipment	10 - 13

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognized in the income statement.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets and amortisation

Intangible fixed assets representing computer software are stated at cost less accumulated amortisation.

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

	<u>Years of amortisation</u>
Computer software	05

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Prepayments comprise tools and supplies, pipeline repair costs, installation costs, free meter replacement and other costs which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method over a maximum of 5 years.

Payables and accrued expenses

Payables represent the amounts that may be paid to suppliers or others and are stated at their carrying amount.

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the Company. In addition, the Company monitors the contribution for pipeline construction of the residents in short-term trade payables.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Equity

Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Profit distribution**

Profit after tax is distributed to shareholders after deducting funds in accordance with the Charter of Company and regulations of the law which has been approved by the General Meeting of Shareholders.

Revenue recognition

Revenue from the sale of goods is recognized when all five (5) following conditions are satisfied:

- a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- a) the amount of revenue can be measured reliably;
- b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company identifies its water business activities as belonging to the list of types, scale criteria, and standards for socialization in the environmental field. Accordingly, the Company applies a preferential corporate income tax rate of 10% to income from the Company's water business activities.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Related parties

Parties are considered to be related parties when one party has ability to control another or has significant influence in making decision related to financial and operation policies. Parties are also considered as related parties when they bare the same control and significant influence.

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

List of related parties:

Related parties	Relationship
Nam Dinh Provincial People's Committee	Controlling shareholder
SETFIL Water Treatment Equipment Joint Stock Company	Major shareholder
Tien Phong Plastic Joint Stock Company	Major shareholder
Nam Dinh Tourism Joint Stock Company	Major shareholder
Members of the Board of Management, Executive Board, and Board of Supervisors	Key leaders

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	691,267,931	718,090,198
Bank deposit	14,082,142,934	31,452,300,912
Cash and cash equivalents (i)	68,122,931,507	47,000,000,000
Total	<u>82,896,342,372</u>	<u>79,170,391,110</u>

Note:

- (i) Cash equivalents are bank deposits with maturities ranging from 1 to 3 months, with interest rates from 2.5% to 4.5% per annum.

5. SHORT- TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Nam Cuong Hanoi Corporation Joint Stock Company	1,263,946,000	481,104,400
Others	983,499,206	1,487,398,670
Total	<u>2,247,445,206</u>	<u>1,968,503,070</u>

6. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Thang Tam Company Limited	2,430,200,215	-
Minh Tan Mechanical Construction Company Limited	3,234,540,600	-
DNP HAWACO Joint Stock Company	-	363,756,180
HAWACO Mechanical & Electrical Company Limited	-	160,645,665
DNP Hawaco Mechanical and Electrical JSC	-	136,412,800
Vinatech Technology Equipment Company Limited	-	274,428,000
Others	1,234,654,759	271,161,273
Total	<u>6,899,395,574</u>	<u>1,206,403,918</u>

7. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Union fee		
Social insurance	443,132,770	403,578,378
Health insurance	44,700,013	40,704,022
Unemployment insurance	56,327,071	45,913,827
Advances to employees	1,603,335,539	1,110,375,731
Total	<u>2,147,495,393</u>	<u>1,600,571,958</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

8. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	8,789,455,511	(3,027,409,505)	8,498,245,565	(3,137,756,238)
Tools and supplies	575,760,285	(375,359,648)	501,821,542	(353,321,274)
Work in progress	10,027,115,524	-	15,907,644,578	-
Total	19,392,331,320	(3,402,769,153)	24,907,711,685	(3,491,077,512)

As at 31 December 2024, the Company has reversed provisions for certain slow-moving and substandard materials used during the year with the amount of VND 110 million and has made provisions for certain slow-moving and substandard tools and supplies used during the year with the amount of VND 22 million.

9. TAX AND OTHERS RECEIVABLE/ PAYABLE TO THE STATE BUDGET

	Opening receivable	Opening payable	Payable during the year	Paid during the year	Closing receivable	Closing payable
	VND	VND	VND	VND	VND	VND
Value added tax	-	-	8,239,200,053	7,671,244,032	-	567,956,021
Personal income tax	-	15,451,728	998,762,342	1,125,963,720	111,749,650	-
Resource tax	-	70,018,540	834,577,920	831,225,480	-	73,370,980
Corporate income tax	-	418,853,738	4,260,655,803	2,500,000,000	-	2,179,509,541
Land tax	261,261,600	-	3,213,941,662	3,473,759,705	1,443,557	-
Other taxes	-	561,013,828	989,652,800	707,173,000	-	843,493,628
Fees, charges and other payables	-	-	57,195,265	57,195,265	-	-
Total	261,261,600	1,065,337,834	18,593,985,845	16,366,561,202	113,193,207	3,664,330,170

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

10. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	312,419,448,509	123,982,308,621	777,247,513,308	3,065,016,987	1,216,714,287,425
- Purchases	-	1,063,000,000	471,413,272	-	1,534,413,272
- Completed construction investment	5,337,479,410	5,026,982,375	24,402,578,785	-	34,767,040,570
- Other decrease (i)	(223,149,023)	(657,152,164)	(3,741,231,833)	(65,000,000)	(4,686,533,020)
Closing balance	317,533,778,896	129,415,138,832	798,380,273,532	3,000,016,987	1,248,329,208,247
ACCUMULATED DEPRECIATION					
Opening balance	268,372,966,168	85,427,901,705	514,956,698,182	2,295,221,039	871,052,787,094
- Charge for the year	7,136,800,703	6,500,973,277	39,410,649,641	222,464,616	53,270,888,237
- Other decrease (i)	-	-	(1,457,834,939)	(65,000,000)	(1,522,834,939)
Closing balance	275,509,766,871	91,928,874,982	552,909,512,884	2,452,685,655	922,800,840,392
NET BOOK VALUE					
Opening balance	44,046,482,341	38,554,406,916	262,290,815,126	769,795,948	345,661,500,331
Closing balance	42,024,012,025	37,486,263,850	245,470,760,648	547,331,332	325,528,367,855

The cost of the tangible fixed assets includes VND 508,630,846,454 (31 December 2023: VND 483,481,532,877) of assets which have been fully depreciated but are still in use as at 31 December 2024.

As stated in Note 18, the Company is mortgaging assets formed from the Projects to secure loans from credit institutions.

Note:

- (i) A reduction was made based on the final settlement of construction value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

11. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS

	<u>Computer software</u>	<u>Total</u>
	VND	VND
COST		
Opening balance	1,702,865,000	1,702,865,000
Closing balance	1,702,865,000	1,702,865,000
ACCUMULATED AMORTISATION		
Opening balance	1,256,150,682	1,256,150,682
- Charge for the year	199,299,974	199,299,974
Closing balance	1,455,450,656	1,455,450,656
NET BOOK VALUE		
Opening balance	446,714,318	446,714,318
Closing balance	247,414,344	247,414,344

The cost of the intangible fixed assets includes VND 706,365,000 (31 December 2023: VND 706,365,000) of assets which have been fully depreciated but are still in use as at 31 December 2024.

12. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Clean water plant construction project in Hai Minh commune, Hai Hau (i)	14,925,015,824	-
Increase the capacity of Vu Ban water supply branch and the water supply pipeline network in Y Yen	265,605,088	7,060,366,797
Renovate and upgrade the electrical system at the level 2 pumping station of Nam Dinh water production branch	-	2,507,244,504
Move and replace the DN15 instrument cluster until the inspection date in 2023	-	4,235,896,782
Others	2,816,933,585	2,491,904,719
Total	18,007,554,497	16,295,412,802

Note:

- (i) This is a project implemented under the business cooperation contract No. 21/HDHTKD dated 6 November 2023 between the Company and DNP Water Joint Stock Company. The Project has a total investment capital of VND 616,908,000,000 and is divided according to business results based on the capital contribution ratio (Nam Dinh Water Supply Joint Stock Company: 42%; DNP Water Joint Stock Company: 58%). The project is in the investment process.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

13. LONG-TERM PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Tools and supplies	3,836,340,602	3,107,114,820
Meter replacement and installation costs (i)	13,040,386,504	10,451,648,488
Total	<u>16,876,727,106</u>	<u>13,558,763,308</u>

Note:

- (i) This is the cost of replacing and renovating meter clusters by water supply area, allocated using the straight-line method based on the estimated maximum technical useful life of no more than 5 years.

14. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Nam Dinh Provincial Construction Quality Inspection Center	377,018,000	377,018,000	-	-
Duc Tung Construction Company Limited	496,898,839	496,898,839	-	-
SETFIL Vietnam Automation Equipment Joint Stock Company	454,175,807	454,175,807	454,175,807	454,175,807
Minh Ky Construction and Trading Company Limited	392,300,079	392,300,079	471,573,478	471,573,478
Viwaseen3 Joint Stock Company	-	-	921,018,400	921,018,400
TNG Investment and Construction Co., Ltd	-	-	781,140,178	781,140,178
Others	1,204,469,677	1,204,469,677	2,553,422,318	952,330,497
Total	<u>2,924,862,402</u>	<u>2,924,862,402</u>	<u>5,181,330,181</u>	<u>3,580,238,360</u>

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Nam Cuong Hanoi Corporation Joint Stock Company	822,284,250	2,905,617,583
Others	1,631,226,159	2,305,560,716
Total	<u>2,453,510,409</u>	<u>5,211,178,299</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

16. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Expenses in December	1,493,261,487	952,740,666
Cost of organizing workers conference	599,677,852	148,500,000
Interest expenses	34,964,000	55,355,607
Others	1,986,576,012	440,485,307
Total	<u>4,114,479,351</u>	<u>1,597,081,580</u>

17. OTHER PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a) Short-term	9,407,542,345	8,255,138,997
<i>Other short-term payables to non-related parties</i>	<i>9,397,400,740</i>	<i>8,244,997,392</i>
Wastewater fees	1,459,737,286	1,519,996,657
Forest environmental service fees	7,008,408,108	5,687,607,640
Other payables	929,255,346	1,037,393,095
<i>Other short-term payables to related parties</i>	<i>10,141,605</i>	<i>10,141,605</i>
Dividends payable to Nam Dinh Provincial People's Committee	10,141,605	10,141,605
b) Long-term	24,850,471,801	25,920,197,801
Contribution for pipeline construction of residents (i)	24,850,471,801	25,920,197,801

Note:

- (i) The contribution for pipeline construction of residents is funds mobilized from households when the Company implements clean water projects based on agreements between the Company and household representatives and the approval of the competent authority of Nam Dinh Province.

The contribution for pipeline construction of residents will be gradually recognized as revenue from clean water business based on the volume of water used by each household per period with a deduction value of VND 2,000/m³.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

18. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Closing balance		During the year		Opening balance	
	Value	Amount able to be paid off	Increase	Decrease	Value	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
a) Short-term loan	4,054,068,000	4,054,068,000	4,054,068,000	13,917,864,286	13,917,864,286	13,917,864,286
<i>Short-term loan</i>	-	-	-	9,863,796,286	9,863,796,286	9,863,796,286
Shinhan Bank Vietnam Limited	-	-	-	9,863,796,286	9,863,796,286	9,863,796,286
<i>Long-term loans due to date</i>	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Dinh Branch (i)	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000	4,054,068,000
b) Long-term loans	19,579,060,220	19,579,060,220	-	4,054,068,000	23,633,128,220	23,633,128,220
Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Dinh Branch (i)	19,579,060,220	19,579,060,220	-	4,054,068,000	23,633,128,220	23,633,128,220

Note:

- (i) Long-term loan contracts from Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Dinh Branch with interest rates of 9 - 10.8% per annum, loan purpose is to pay costs for the new raw water construction project of Vu Ban Clean Water Plant and the project to supplement a 3.000m³/day-night water treatment line for Vu Ban water treatment area.

These contracts are secured by the following measures:

- Mortgage contracts No. 01/2015/VCB.NDI; No. 02/2015/NHNT.NDI-TCTS; No. 01/2016/VCB.NDI-TC; No. 02/2016/VCB.NDI-TC;
- Land-attached assets under Land use right certificate No. BP 708031;
- All machinery, equipment, technology, and transmission vehicles at Y Yen Clean Water Business Facility;
- Machinery, equipment, and transmission vehicles at Truc Ninh Clean Water Business Facility, Co Le Town, Truc Ninh District, Nam Dinh Province;
- Land-attached assets under two Land use right certificates No. AK 920836 and No. AK 920829.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

18. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

Note (Continued):

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	4,054,068,000	4,054,068,000
In the second year	4,054,068,000	4,054,068,000
In the third to fifth year inclusive	12,162,204,000	12,162,204,000
After five years	3,362,788,220	7,416,856,220
Total	23,633,128,220	27,687,196,220
Less: Amount due for settlement within 12 months (shown under current liabilities)	4,054,068,000	4,054,068,000
Amount due for settlement after 12 months	19,579,060,220	23,633,128,220

19. OWNER'S EQUITY

Movement in owner's equity

Unit: VND

	Owner's contributed capital	Treasury shares	Investment and development fund	Retained earnings	Total
Opening balance of prior year	343,117,480,000	(845,370,000)	8,738,760,740	19,382,595,565	370,393,466,305
Profit for the year	-	-	-	33,041,578,681	33,041,578,681
Funds	-	-	1,131,853,665	(3,114,131,165)	(1,982,277,500)
Dividends paid	-	-	-	(33,382,488,400)	(33,382,488,400)
Opening balance of current year	343,117,480,000	(845,370,000)	9,870,614,405	15,927,554,681	368,070,279,086
Profit for the year	-	-	-	33,361,404,966	33,361,404,966
Funds (i)	-	-	1,694,151,000	(4,998,309,000)	(3,304,158,000)
Dividends paid (i)	-	-	-	(29,436,121,280)	(29,436,121,280)
Bonus for Board of Management and Board of Supervisors (i)	-	-	-	(660,831,281)	(660,831,281)
Closing balance of current year	343,117,480,000	(845,370,000)	11,564,765,405	14,193,698,086	368,030,573,491

Note:

(i) Profit distributions are as follows:

<u>Description</u>	<u>Amount (VND)</u>
a) Distribution from profit after tax in 2023	
Bonus and welfare fund	3,304,158,000
Bonus for Board of Management and Board of Supervisors	660,831,281
Investment and development fund	1,694,151,000
Advance payment of 2023 dividends	17,114,024,000
Remaining dividend paid in 2024	10,268,414,400
b) Distribution from profit after tax in 2024	
Advance payment of 2024 dividends	19,167,706,880

a) The Company distributes the profit after tax of 2023 in accordance with Resolution of the Annual General Meeting of Shareholders No. 01-2024/NQ-DHCD dated 24 April 2024.

b) The Company makes an advance payment of 2024 dividends in accordance with Resolution of the Board of Management No. 09-2024/NQ-HDQT dated 7 November 2024, the Company advances 5.6% of 2024 dividends.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNER'S EQUITY (CONTINUED)

During the year, the Company paid the remaining dividend of 2023 with the amount of VND 10,200,348,830 and advanced the dividend of 2024 with the amount of VND 19,040,651,096.

Charter capital

According to Business Registration Certificate No. 0600008000 dated 9 September 2024 issued by the Department of Planning and Investment of Nam Dinh province, the Company's charter capital is VND 343,117,480,000. As at 31 December 2024, the charter capital has been contributed by shareholders as follows:

Shareholders	Closing balance		Opening balance	
	VND	%	VND	%
Nam Dinh Provincial People's Committee	169,843,150,000	49.50%	169,843,150,000	49.50%
SETFIL Water Treatment Equipment JSC	17,262,670,000	5.04%	29,164,990,000	8.50%
Tien Phong Plastic Joint Stock Company	46,320,860,000	13.50%	46,320,860,000	13.50%
Nam Dinh Tourism Joint Stock Company	63,476,730,000	18.50%	63,476,730,000	18.50%
Other shareholders	45,377,070,000	13.22%	33,474,750,000	9.76%
Treasury shares bought back by employees	837,000,000	0.24%	837,000,000	0.24%
Total	343,117,480,000	100%	343,117,480,000	100%

Shares

	Closing balance	Opening balance
- Number of shares sold to the public		
+ Common shares	34,311,748	34,311,748
- Number of treasury shares		
+ Common shares	(83,700)	(83,700)
- Number of outstanding shares		
+ Common shares	34,228,048	34,228,048

The par value of common share is VND 10,000 per share.

20. REVENUE

	Current year	Prior year
	VND	VND
Clean water business	262,219,153,298	254,247,437,765
Consulting, designing and installing water supply projects	12,636,811,868	13,387,530,718
Thien Truong drinking water	2,853,949,778	2,507,326,854
Total	277,709,914,944	270,142,295,337

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

21. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Clean water business	172,018,546,473	165,517,363,834
Consulting, designing and installing water supply projects	12,194,994,475	12,271,486,478
Thien Truong drinking water	706,657,577	454,811,513
(Reversal)/Provision for inventories	(88,308,359)	(315,874,542)
Total	<u>184,831,890,166</u>	<u>177,927,787,283</u>

22. PRODUCTION COST BY NATURE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Raw materials and consumables	25,249,173,688	28,950,935,606
Labour	76,859,323,641	70,343,233,960
Depreciation and amortisation	53,470,188,211	66,625,573,053
Out-sourced services	64,006,782,034	58,455,511,680
Other monetary expenses	12,723,633,092	8,275,242,560
(Reversal)/Provision for devaluation of inventories	(88,308,359)	(315,874,542)
Total	<u>232,220,792,308</u>	<u>232,334,622,317</u>

23. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Bank deposit interest	1,149,411,206	696,241,336
Total	<u>1,149,411,206</u>	<u>696,241,336</u>

24. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense	2,342,055,788	3,938,123,108
Total	<u>2,342,055,788</u>	<u>3,938,123,108</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

25. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
a) Selling expenses incurred during the year		
Employees	21,090,913,978	18,903,991,924
Out-sourced services	5,421,982,681	3,867,361,986
Others	512,315,750	2,546,950,414
Total	<u>27,025,212,409</u>	<u>25,318,304,324</u>
b) General and administration expenses		
Employees	12,193,169,251	11,986,756,734
Out-sourced services	6,863,405,500	4,751,576,560
Others	7,187,644,036	9,634,953,387
Total	<u>26,244,218,787</u>	<u>26,373,286,681</u>

26. OTHER INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Wastewater fees	1,389,057,330	1,358,977,450
Fines for violating water use regulations	101,000,000	154,290,000
Others	51,886,838	136,776,325
Total	<u>1,541,944,168</u>	<u>1,650,043,775</u>

27. OTHER EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Wastewater collection service fee	1,161,716,386	1,190,000,000
Other expenses for employees	247,528,600	-
Residual value of disposal of fixed assets	-	79,101,280
Others	926,587,413	482,294,454
Total	<u>2,335,832,399</u>	<u>1,751,395,734</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***28. CURRENT CORPORATE INCOME TAX EXPENSE**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Profit before tax	37,622,060,769	37,179,683,318
Adjustment for taxable income		
Add: Adjustments that increase profit before tax - Non-deductible expenses	3,772,735,575	3,544,375,933
Taxable income	41,394,796,344	40,724,059,251
Income subject to preferential corporate income tax rates	40,416,279,280	40,067,072,132
Income subject to normal tax rate	978,517,064	656,987,119
Preferential tax rate	10%	10%
Normal tax rate	20%	20%
Current corporate income tax expense	4,237,331,341	4,138,104,637
Adjustment for corporate income tax of prior year	23,324,462	-
Total corporate income tax expense	4,260,655,803	4,138,104,637

The Company identifies its water business activities as belonging to the list of types, scale criteria, and standards for socialization in the environmental field. Accordingly, the Company applies a preferential corporate income tax rate of 10% to income from the Company's water business activities.

The Company is provisionally determining corporate income tax expense based on taxable income for the year after excluding non-deductible expenses as described above. The ultimate determination depends on the results of the tax authorities' examinations.

29. BASIC EARNINGS PER SHARE

	<u>Current year</u>	<u>Prior year</u>
	VND	(Restated) VND
Profit after corporate income tax	33,361,404,966	33,041,578,681
Adjustments for:		
<i>Bonus and welfare fund (i)</i>	-	(3,304,158,000)
<i>Bonus for Board of Management and Board of Supervisors (i)</i>	-	(660,831,281)
Profit attributable to common shares	33,361,404,966	29,076,589,400
Average number of outstanding shares during the year	34,228,048	34,228,048
Basic earnings per share	975	849

Note:

- (i) The adjustment to reduce profit allocated to shareholders in 2023 has been restated based on the official profit distribution from the 2024 Annual General Meeting of Shareholders, including profits for the bonus and welfare fund, the bonus fund for the Board of Management and the Board of Supervisors. Accordingly, the basic earnings per share of the previous year was 849 (the number before reclassification was 965).

At the time of issuing this report, the Company has not yet finalized the profit distribution plan for 2024, so there is no basis to determine the profit adjustments allocated to shareholders.

The par value of shares is VND 10,000 per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

30. SEGMENT REPORTING

Segment information is presented by business sector and geographical area:

Geographical area

The Company's operations are concentrated only within Nam Dinh province. Therefore, the Company does not prepare segment reports by geographical area.

Business sector

The Company operates in the water supply sector and the construction and installation of works serving water supply activities. Revenue from the construction and installation sector accounts for about 3.6% of total revenue, corresponding to a small proportion; therefore, the Company does not prepare segment reports by business sector.

31. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the balances with related parties described in Note 17 and 19; during the year, the Company entered into the following significant transactions with its related parties:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Purchases		
SETFIL Water Treatment Equipment JSC	80,863,000	-
Purchase payment		
SETFIL Water Treatment Equipment JSC	88,830,300	-
Dividends		
Nam Dinh Provincial People's Committee	14,606,510,900	25,051,864,625
SETFIL Water Treatment Equipment JSC	2,104,144,911	1,779,645,075
Tien Phong Plastic Joint Stock Company	3,983,593,960	4,516,283,850
Nam Dinh Tourism Joint Stock Company	5,458,998,780	6,188,981,175

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Remuneration of the Board of Management and Executive Board during the year was as follows:

<u>Members</u>	<u>Position</u>	<u>Current year</u>	<u>Prior year</u>
		VND	VND
Mr. Tran Dang Quy	Chairman of the Board of Management, dismissed on 3 July 2024	346,094,449	465,141,012
Mr. Nguyen Sy Long	Vice Chairman of the Board of Management and General Director, appointed as the Chairman of the Board of Management on 3 July 2024	569,888,101	452,703,428
Mr. Dinh Van Hoa	Vice Chairman of the Board of Management and Deputy General Director, appointed as the General Director from 11 July 2024	527,204,868	395,897,093
Mr. Tran Ngoc Chien	Vice Chairman of the Board of Management and Deputy General Director, appointed as the Vice Chairman of the Board of Management from 3 July 2024	500,634,881	402,953,093
Mr. Tran Ngoc Bao	Member of Board of Management	94,262,139	245,431,762
Ms. Kieu Hai Anh	Member of Board of Management	94,262,139	245,431,762
Mr. Do Huu Minh	Member of Board of Management	510,378,881	412,361,093
Mr. Mai Manh Hung	Deputy General Director, appointed on 11 July 2024	345,750,128	-
Ms. Nguyen Thi Luyen	Head of Board of Supervisors	488,634,881	363,368,010
Mr. Nguyen Van Ngon	Member of Board of Supervisors	279,821,947	231,879,098
Mr. Tran Hong Duc	Member of the Board of Supervisors, dismissed on 30 August 2024	242,127,417	196,987,539
Mr. Pham Dinh Tai	Member of the Board of Supervisors, appointed on 30 August 2024	241,639,622	-
Ms. Tran Thi Hong Phan	Chief Accountant	500,814,881	414,713,093

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

32. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 125,744,400, representing an addition in fixed assets and construction in progress in 2024 that has not yet been paid and include an amount of VND 929,224,451, representing an addition in fixed assets and construction in progress in 2023 that has been paid in 2024; and include an amount of VND 6,724,739,615, representing prepayments for the purchase of fixed assets and construction in progress. Consequently, changes in accounts receivable have been adjusted by the same amount.

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 4,905,546,697, representing the amount transferred from inventory to construction in progress during the year. Consequently, changes in inventories have been adjusted by the same amount.



Nguyen Sy Long
Chairman of the Board of Management
Nam Dinh, 10 March 2025

Tran Thi Hong Phan
Chief Accountant

Vu Duc Trong
Preparer