

REGULAR DISCLOSURE OF FINANCIAL REPORTS

Dear: Hanoi Stock Exchange

In compliance with the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, by the Ministry of Finance guiding the disclosure of information on the securities market, Bac Giang Clean Water Joint Stock Company hereby discloses the Independent Audit Report on the financial statements for the fiscal year ending on December 31, 2024, to the Hanoi Stock Exchange as follows:

1. Organization Name: Bac Giang Clean Water Joint Stock Company

Stock Code: BGW

Address: 386 Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Phone: 02043 855 757

Email: capnuocbg@gmail.com – **Website:** bacgiangwsc.com.vn

2. Disclosure Information Content

- The audited financial statements for the year 2024.

Standalone Financial Statements (The parent company does not have any subsidiaries, and the higher-level accounting unit has affiliated units);

Consolidated Financial Statements (The parent company has subsidiaries);

Combined Financial Statements (The parent company has an affiliated accounting unit with a separate accounting system);

- Cases that require an explanation of the reasons:

+ The audit firm gives an opinion that is not an unqualified opinion on the financial statements (for the audited financial statements of 2024):

Yes

No

Explanatory document in cases where applicable:

Yes

No



+ The net profit after tax in the reporting period shows a difference of 5% or more before and after the audit, or changes from a loss to a profit or vice versa (for the audited financial statements of 2024):

Yes

No

Explanatory document in cases where applicable:

Yes

No

+ The net profit after corporate income tax in the income statement for the reporting period changes by 10% or more compared to the same period of the previous year?:

Yes

No

Explanatory document in cases where applicable:

Yes

No

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

Yes

No

Explanatory document in cases where applicable:

Yes

No

This information has been disclosed on the company's website on:/03/2025 at the following link:

<https://bacgiangwsc.com.vn/category/quan-he-co-dong/bao-cao-tai-chinh/>

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

Recipients:

- As addressed;
- Archive: Clerical, Library./.

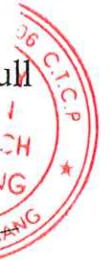
Attached documents:

- The audited financial statements for 2024;
- Explanatory document on issues to be emphasized by the auditor.

Legal Representative *Phan*
Chairman of the Board of Directors



Huong Xuan Cong



VIETVALUES Audit and Consulting Co., Ltd
Member firm of JPA International
Head office : 33 Phan Van Khoe, ward 13, district 5, HCMC
Tel : +84 (28) 3859 4168 Fax : +84 (28) 3859 2289
Email : contact@vietvalues.com Website : www.vietvalues.com



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31ST DECEMBER 2024

BAC GIANG CLEAN WATER JSC

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REPORT OF BOARD OF MANAGEMENT

The Board of Management of Bac Giang Clean Water JSC (“the Company”) are pleased to present this report together with the audited financial Statements of the Company for the year ended 31st December 2024.

1. General information of the Company

Bac Giang Clean Water Joint Stock Company was transformed from Bac Giang Water Supply and Sewerage Company Limited into Joint Stock Company according to the Decision No. 1763/QĐ-UBND dated September 24th, 2015 of Bac Giang Provincial People's Committee, allowed the company to convert to a joint stock company from July 1st, 2015. The Company was granted the First Business Registration Certificate by Department of Planning and Investment of Bac Giang province on November 20, 2015.

Charter capital : VND 181.494.460.000 (One hundred and eighty - one billion, four hundred and ninety - four million, four hundred and sixty thousand dong).

The company is listed on UPCOM with stock code BGW.

2. Registered office

Address : No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Tel : 02043.855757

Tax code : 2 4 0 0 1 2 6 1 0 6

3. Business activities

- Manufacturing clean water, construction.

4. The Board of Management, Supervisory Board and the Board of Director

4.1 The Board of Management

The Board of Management of the Company in 2024 and at the date of this report include:

Full name	Position	Appointment date	Dismissal date
Mr Huong Xuan Cong	President	-	-
Mr Tran Dang Dieu	Member	-	-
Mrs Nguyen Thi Phuong Thao	Member	-	-
Mr Bui Vinh Bac	Member	-	-
Mr. Nguyen Trong Hieu	Member	14/04/2024	-
Mr Ngo Thanh Chung	Member	-	14/04/2024

4.2 Supervisory Board

The Supervisory Board of the Company in 2024 and at the date of this report include:

Full name	Position	Appointment date	Dismissal date
Mrs Nguyen Thi Thanh Thuy	Prefect	-	-
Mrs Vu Thi Thuy	Member	-	-
Mr. Trinh Kien	Member	14/04/2024	-
Mrs Nguyen Hong Oanh	Member	-	14/04/2024

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BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Report of Board of Management (continues)

For the year ended 31st December, 2024

4.3 The Board of Directors

The Board of Directors of the Company in 2024 and at the date of this report include:

Full name	Position
Mr Tran Dang Dieu	Director
Mr Bui The Binh	Deputy Director
Mr Bui Vinh Bac	Deputy Director

5. Legal representation

The legal representative of the Company during the year and up to the time of this report is Mr Huong Xuan Cong – President.

6. Financial results

The financial result of the Company for the year ended 31st December 2024 as set out from page 07 to page 32.

7. Subsequent events

In the opinion of The Board of Management, Financial Report of the Company for the year ended December 31st, 2024 will not be seriously affected by any item, or professional milestones or the physical abnormalities arising from the end of the financial year until the date of this report the need for adjustment or disclosure of data in financial statements.

8. Auditors

Vietvalues Audit and Consulting Co., Ltd (**VIETVALUES**) has performed the audit on the Company's Financial Statements for the year ended 31st December 2024. Vietvalues Audit and Consulting Co., Ltd. (**VIETVALUES**) has expressed their willingness to accept re-appointment.

9. Confirmation of the Board of Directors

The Board of Directors of the company is responsible for the preparation of the financial statements to give a true and fair view on the financial position, the financial results and the cash flows of the company for each of the company's fiscal year. In order to prepare these financial Statements, Board of Directors has responsibilities to:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates reasonably and prudently;
- Announce the accounting standards to be followed for the material issues to be disclosed and explained in the financial Statements;
- Prepare the financial Statements of the company on the basis of the going-concern assumption;
- Design and implementation of internal control systems effectively for the purpose of preparing and presenting the consolidated financial statements so as to minimize risk and fraud.

The Board of Directors hereby ensures that all the requirements above have been followed when the financial Statements are prepared, that all the accounting books have been fully, appropriate recorded by the Company and that all the financial Statements have been prepared in compliance with the prevailing Vietnamese accounting system and standards. The Board of Directors is also responsible for protecting the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby has complied with the above requirements in preparing the attach financial statements.



BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Report of Board of Management (continues)

For the year ended 31st December, 2024

10. Approving the Financial Statement

We, The Board of Management confirms that all the accompanying financial Statements have been properly prepared and have given a true and fair view on the financial position as of 31st December 2024, the financial results and the cash flows for the period from 1st January to 31st December 2024 of the Company, in compliance with the prevailing Vietnamese accounting system and standards as well as other related regulations, in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, Circular No. 200/2014/TT-BTC on 22 December 2014 of the Ministry of finance and the statutory requirements relevant to preparation and presentation of financial statements.

On behalf of the board of Management



HUONG XUAN CONG

President of The Board of Management

Bac Giang, 14 March, 2025





No: 2129/25/BCKT/AUD-VVALUES

AUDITOR'S REPORT

To: **SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF DIRECTORS
BAC GIANG CLEAN WATER JOINT STOCK COMPANY**

We have audited the accompanying financial report of Bac Giang Clean Water JSC ("The Company") established 14 March, 2025 (from page 07 to page 32), which comprise the Balance Sheet at 31st December 2024; Income statement, Cash flow statement and Notes to the financial statements for the year ended 31st December 2024.

Responsibilities of The Board of Directors

The Board of Directors responsible for the preparation and true and fair presentation of the financial statements of the Company in accordance with accounting standards, corporate accounting regime Vietnam by Circular No. 200/2014/TT-BTC on 22nd December 2014 of the Ministry of finance and the legal requirements relating to the preparation and presentation of financial statements and is responsible for the internal control that the General Directors determines is necessary to ensure for the preparation and presentation of financial statements did not have material misstatements due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have conducted our audit in accordance with the Vietnamese Standards on Auditing. Those standards require that we comply with the regulations and standards of professional ethics, planning and implementation of the audit to obtain reasonable assurance about whether the financial statements of the Company have also misstatement or not.

An audit includes implementing procedures to gather audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement may in the financial statements due to fraud or error. When performing this risk assessment, the auditor has to consider internal control relevant to the Company's preparation and fair presentation of financial statements truthful and appropriate in order to design audit procedures that are appropriate with the actual situation, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences obtained are complete and appropriate for expressing our opinion on the financial statements.

Auditor's Opinion

According to our opinion, the financial statements give a true and fair presentation, in terms of material respects, the financial position of Bac Giang Clean Water JSC at 31st December 2024, as well as the operating results and cash flows for the year ended 31st December 2024. These reports are prepared in accordance with Circular No 200/2014/TT- BTC, Vietnam Accounting System and prevailing statutory accounting related to the preparation and presentation of financial statements.

The problem needs to be emphasized

We note the reader to:

- Note V.9 in the Notes to the financial statements, which is described as follows:

The project of the No. 2 water plant that the unit is the investor, has stopped deploying according to the notice No. 120-TB /TU of Bac Giang Provincial Party Committee on November 25th, 2016 to invest in the Clean Water Project DNP - Bac Giang of Dong Nai Plastic Joint Stock Company.

Currently, all investment costs for the construction of Bac Giang City's No. 2 Water Plant Project have arisen with the amount of VND 12.002.822.443. The total investment cost for this project of Bac Giang City's No. 2 water plant construction will be gathered and solved when the project is settled.

According to the conclusion notice of the Provincial Standing Committee on the investment policy of DNP-Bac Giang Clean Water Project No. 120-TB/TU dated November 25th, 2016: Agree on the investment policy of the DNP-Bac Giang Clean Water Project of Dong Nai Plastic Joint Stock Company, stopped deploying and did not borrow money from ADB to implement Bac Giang City's No. 2 Water Plant project as an investor of Bac Giang Clean Water Joint Stock Company, as proposed of the Chairman of the Provincial People's Committee in Report No. 3686/TTr-UBND dated November 18th, 2016. Direct the Department of Planning and Investment and the Department of Finance to act as intermediaries, work closely with Bac Giang Clean Water Joint Stock Company and Dong Nai Plastic Joint Stock Company in the process of Dong Nai Plastic Joint Stock Company participating in buying shares to make Strategic shareholders of Bac Giang Clean Water Joint Stock Company as well as settlement of expenses incurred for the project of Bac Giang Water Plant No. 2 in ADB loan according to regulations.

Up to now, the unit has deducted costs for this project in the amount of VND 4.000.000.000 to wait for direction from the competent state agency.

- Note V.14 in the Notes to the financial statements, which describes as follows:

According to Decision No. 262/QĐ-UBND of the People's Committee of Bac Giang province dated February 11th, 2015 on approving the final settlement of the Doi Ngo water supply system, Luc Nam district with a final settlement value of VND 39.442.075.000. According to Notice No. 230/UBND-XD of the People's Committee of Bac Giang province dated January 25th, 2014, the Provincial People's Committee agreed to let the People's Committee of Luc Nam district hand over to Bac Giang Water Supply and Sewerage One Member LLC, now Bac Giang Clean Water Joint Stock Company manages and operates the above project. However, currently the Company has not yet received the handover record from the People's Committee of Luc Nam district to the unit regarding the above project, so currently the unit is temporarily deducting depreciation (10%) for this project, to have capital must be paid upon receipt of handover from the managing unit during the year according to the settlement value of the People's Committee of Bac Giang province and stop deducting from July 1, 2019. Currently, the Company is monitoring assets held on behalf of items off the Balance sheet, waiting for directions from competent state agencies.

Our audit opinion is not related to this issue.

Ho Chi Minh City, 14 March, 2025.

Vietvalues Audit & Consulting Co., Ltd (VIETVALUES)



Nguyen Thi Ngoc Nga – Deputy General Director
Audit certificate No: 0351-2023-071-1
Signature authorized

Nguyen Thi Tuyet Van – Auditor
Audit certificate No: 2839-2025-071-1

Files:

- Save as.
- **VIETVALUES**

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Balance sheet

At 31 December 2024

BALANCE SHEET

At 31 December 2024

Unit: VND

Code	ASSETS	Notes	Ending balane	Begining balane
1	2	3	4	5
100	A. CURRENT ASSETS		86,026,534,234	94,449,018,634
110	I. Cash and cash equivalents	V.1	56,679,997,901	31,291,148,161
111	1. Cash		5,075,531,930	8,001,098,425
112	2. Cash equivalents		51,604,465,971	23,290,049,736
120	II. Investment in short-term financial		-	27,235,220,248
123	1. Investments held to maturity		-	27,235,220,248
130	III. Short-term receivables		21,013,640,079	24,807,669,449
131	1. Receivables from customers	V.2	1,977,019,211	1,103,621,658
132	2. Advanced payments to suppliers	V.3	18,726,962,033	23,059,688,546
136	3. Short-term other receivables	V.4	511,905,835	846,606,245
137	4. Provision for doubtful short-term debts receivables	V.5	(202,247,000)	(202,247,000)
140	IV. Inventories		8,332,896,254	10,155,129,649
141	1. Inventories	V.6	8,332,896,254	10,155,129,649
150	V. Other current assets		-	959,851,127
152	1. Value added tax deductible		-	959,851,127
200	B. LONG TERM ASSETS		144,284,024,874	138,592,675,046
210	I. Long-term receivables		-	-
220	II. Fixed assets		103,298,768,564	76,556,833,345
221	1. Tangible fixed assets	V.7	103,298,768,564	76,556,833,345
222	- Historical cost		350,448,462,583	315,029,522,699
223	- Accumulated depreciation		(247,149,694,019)	(238,472,689,354)
227	2. Intangible assets	V.8	-	-
228	- Historical cost		579,777,977	579,777,977
229	- Accumulated amortization		(579,777,977)	(579,777,977)
230	III. Investment properties		-	-
240	IV. Long-term construction in progress		38,311,074,067	60,568,633,479
242	1. Construction in progress	V.9	38,311,074,067	60,568,633,479
250	V. Long-term financial investment		-	-
260	VI. Other long-term assets		2,674,182,243	1,467,208,222
261	1. Long-term prepaid expenses	V.10	2,674,182,243	1,467,208,222
270	TOTAL ASSETS		230,310,559,108	233,041,693,680

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Balance sheet (Cont)

At 31 December 2024

Code	LIABILITIES AND OWNER'S EQUITY	Notes	Ending balane	Beginning balane
1	2	3	4	5
300	C. LIABILITIES		37,581,821,506	40,706,043,047
310	I. Current liabilities		37,581,821,506	40,706,043,047
311	1. Short-term payables	V.11	634,402,602	2,186,056,391
312	2. Short-term advances from customers		198,000,000	440,281,237
313	3. Taxes and statutory obligations	V.12	2,191,069,947	1,739,227,785
314	4. Payables to employees	V.13	13,374,319,900	15,804,684,700
315	5. Current payable expenses	V.14	19,415,231,819	18,349,616,627
319	6. Other current payables		303,000,000	276,000,000
322	7. Bonus and welfare fund	V.15	1,465,797,238	1,910,176,307
330	II. Long-term liabilities		-	-
400	D. OWNERS' EQUITY		192,728,737,602	192,335,650,633
410	I. Capital	V.16	192,728,737,602	192,335,650,633
411	1. Owners's invested equity		181,494,460,205	181,494,460,205
411a	- Ordinary shares with voting rights		181,494,460,205	181,494,460,205
418	2. Development investment fund		881,673,248	881,673,248
421	3. Undistributed profit after tax		10,352,604,149	9,959,517,180
421a	<i>Undistributed profit after tax brought forward</i>		13,620,772	552,876
421b	<i>Undistributed profit after tax for the current period</i>		10,338,983,377	9,958,964,304
430	II. Funds and other funds		-	-
440	TOTAL LIABILITIES AND OWNER'S EQUITY		230,310,559,108	233,041,693,680

Bac Giang, 14 March, 2025

Prepared by

Chief accountant

President



TRAN DUC THANH



NGUYEN THI PHUONG THAO



HUONG XUAN CONG

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Income Statement

For the year ended 31 December 2024

INCOME STATEMENT
For the year ended 31 December 2024

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
1	2	3	4	5
01	1. Revenues from sale of goods and rendering of services	VI.1	180,000,139,534	170,833,093,769
02	2. Deductions	VI.2	19,141,100	23,427,861
10	3. Net revenues from sale of goods and rendering of services		179,980,998,434	170,809,665,908
11	4. Cost of goods sold	VI.3	110,338,587,191	103,637,333,235
20	5. Gross profit from sale of goods and rendering of services		69,642,411,243	67,172,332,673
21	6. Income from financial activities	VI.4	1,297,310,454	3,884,529,616
22	7. Expenses from financial activities		-	16,339,725
23	- In which: Interest expenses		-	16,339,725
25	8. Selling expenses	VI.5	36,173,607,156	37,877,717,266
26	9. General and administration expenses	VI.6	19,685,193,810	18,495,120,497
30	10. Operating profit(loss)		15,080,920,731	14,667,684,801
31	11. Other income	VI.7	954,215,926	904,221,388
32	12. Other expenses	VI.8	1,145,969,969	260,153,301
40	13. Other profit		(191,754,043)	644,068,087
50	14. Profit before tax		14,889,166,688	15,311,752,888
51	15. Corporate income tax	V.12	3,401,407,380	3,595,324,295
60	17. Profit after tax		11,487,759,308	11,716,428,593
70	18. Basic earnings on shares	VI.9	570	548
71	19. Interest decline on shares	VI.10	570	548

Bac Giang, 14 March, 2025

Prepared by

Chief accountant

President



TRAN DUC THANH



NGUYEN THI PHUONG THAO



HUONG XUAN CONG

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

Statement of cash flow

For the year ended 31 December 2024

STATEMENT OF CASH FLOW

(Under direct method)

For the year ended 31 December 2024

Unit: VND

Cod e	Items	Notes	Current year	Previous year
1	2	3	4	5
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Receipts from customers		196,363,154,055	187,531,288,627
02	2. Payments to suppliers		(108,076,453,630)	(126,147,661,626)
03	3. Payments to employees		(46,347,407,277)	(44,817,469,464)
04	4. Interest paid		-	(16,339,725)
05	5. Income taxes paid	V.12	(3,149,097,151)	(3,224,094,235)
06	6. Other receipts from business operations		4,046,421,473	4,397,557,741
07	7. Other payments from business operations		(26,493,357,802)	(27,921,421,232)
20	Net cash from operating activities		16,343,259,668	(10,198,139,914)
	II. CASH FLOW FROM INVESTING ACTIVITIES			
21	Cash outflows from purchasing of fixed assets and other long-term assets		(9,882,129,207)	(10,858,213,151)
22	2. Proceeds from disposals of fixed assets and other long-term assets		5,454,545	-
23	3. Cash payments to acquire shares or debentures of other enterprises		-	(27,235,220,248)
24	4. Cash receipts from sales of shares or debentures of other enterprises		27,891,664,848	71,251,323,093
25	5. Cash outflows from investing to other entities.		-	-
26	6. Proceeds from sales of investments in other entities		-	-
27	7. Proceeds from loan interest, dividend and profit sharing		863,865,854	382,633,400
30	Net cash inflow(outflows) from investing activities		18,878,856,040	33,540,523,094
	III. CASH FLOW FROM FINANCING ACTIVITIES			
31	1. Cash inflows from issuing shares, receiving owner capital		-	-
32	2. Cash outflows from paying owners capital, repurchase share of equity		-	-
33	3. Proceeds from borrowings		-	4,000,000,000
34	4. Cash Repayments of borrowings		-	(4,000,000,000)
35	5. Payment of finance lease liabilities		-	-
36	6. Dividends paid	V.16	(9,833,265,968)	(8,965,780,575)
40	Net cash flows from/(used in) investing activities		(9,833,265,968)	(8,965,780,575)
50	Net cash inflows/(outflows) (50=20+30+40)		25,388,849,740	14,376,602,605
60	Cash and cash equivalents at the beginning of the year	V.1	31,291,148,161	16,914,545,556
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year (70=50+60+61)	V.1	56,679,997,901	31,291,148,161

Prepared by



TRAN DUC THANH

Chief accountant



NGUYEN THI PHUONG THAO

Bac Giang, 14 March, 2025

President



HUONG XUAN CONG

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Address: No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

FINANCIAL STATEMENT

For the year ended 31st December, 2024

NOTE TO FINANCIAL STATEMENTS

For the year ended 31 December, 2024

These notes are an integral part and must be read in conjunction with the financial statements for the year ended 31st December 2024 of Bac Giang Clean Water Joint Stock Company.

I. OPERATION FEATURES

1. Forms of ownership

Bac Giang Clean Water Joint Stock Company (hereinafter referred to as "Company") is a Joint Stock Company.

Bac Giang Clean Water Joint Stock Company was transformed from Bac Giang Water Supply and Sewerage Company Limited into Joint Stock Company according to the Decision No. 1763/QĐ-UBND dated September 24th, 2015 of Bac Giang Provincial People's Committee, allowed the company to convert to a joint stock company from July 1st, 2015. The Company was granted the First Business Registration Certificate by Department of Planning and Investment of Bac Giang province on November 20th, 2015.

Charter capital : VND 181.494.460.000 (One hundred and eighty - one billion, four hundred and ninety - four million, four hundred and sixty thousand dongs).

At the end of the fiscal year, Company contributed 100% of the charter capital.

2. Lines of business

Manufacturing clean water, construction.

3. Business activities

The main activity of the Company is:

- Producing and trading in clean water.
- Construction of water supply and drainage works, low voltage electrical works from 35KV or less.

4. The cycle of business

Production cycle of normal business of the Company is not exceeding 12 months.

5. Company structure

The company has affiliated units, dependent accounting as follows: Construction Enterprise - Branch of Bac Giang Clean Water Joint Stock Company established on July 21st, 2023, address: No. 352, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang province.

6. Employees

At the end of the financial year the company had 272 employees are working (the first number is 270 employees).

II. ACCOUNTING PERIOD AND REPORTING CURRENCY

1. Accounting period

The company's fiscal year starts on 01 January and finish on 31 December.

2. Reporting currency

The standard currency unit used is Vietnam Dong (VND) because the revenues and expenditures are made primarily by currency VND.

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Address: No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

III. ADOPTED ACCOUNTING POLICIES

1. Applicable accounting policies

The Company applied the accounting standards, corporate accounting regime of Vietnam issued Circular No. 200/2014/TT - BTC of December 22nd, 2014 and the circular guiding the implementation of accounting standards the Ministry of Finance in the preparation and presentation of financial statements.

Accordingly, the balance sheet, income statement, statement of cash flow and notes to the financial statements are presented together. The use of this report is not intended for subjects not provided information about accounting procedures, principles and practices in Viet Nam and over again is not intended to present the financial position, results of operations and cash flows in accordance with the accounting principles and practices general accepted in countries and territories outside Viet Nam.

2. Disclosed compliance with Vietnamese accounting standards and systems

The Board of Directors ensures compliance was required by the accounting standards , corporate accounting regime of Vietnam issued Circular No. 200/2014/TT - BTC of 22 December, 2014 as well as the circulars guiding the implementation of accounting standards by the Ministry of Finance in preparing the financial statements.

IV. APPLIED ACCOUNTING POLICIES

1. Basic of financial statements making

The financial statements are prepared on the accrual accounting basis (except for information relating to cash flows.

2. Cash and cash equivalents

Cash includes cash, bank deposits with a term not and money in transit.

The cash equivalents are short-term investments with maturity or maturity not exceeding 3 months from the date of purchase (the original term is no more than 3 months), easily convertible to known amounts of cash and there is no risk in the transformation in value at the time of the report.

3. Financial investments

Held-to-maturity investments

Investments are classified as held to maturity when the Company has an intention and ability to hold until maturity. Held-to-maturity investments include: term bank deposits (including bills, promissory notes), bonds and preferred shares issued by the issuer required to be redeemed at a certain future time and maturity loans for the purpose of collecting interest and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including purchase price and other costs related to the acquisition of investments. After initial receipt, these investments are recorded at recoverable value. Interest income from held-to-maturity investments after the acquisition date is recognized in the statement of income on an accrual basis. Interest earned before the Company holds is recorded as a deduction from the original price at the time of purchase.

When there is strong evidence that part or all of the investment may be irrecoverable and the amount of loss determined reliably, the loss is recorded as financial expense during the year and reduced direct deduction of investment value.

4. Account receivables

Accounts receivable are stated at book value minus the provision for bad debts.

The classification of receivables is trade receivables and other receivables shall comply with the following principles:

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- Customer receivables reflects the nature of the receivables arising from commercial transactions to buy properties - selling between the Company and the buyer is a unit independent of the Company , including accounts receivable export sales of the money entrusted to other units.
- Intercompany receivables receivables reflect the subordinate units without legal personality dependent accounting.
- Other receivables reflects not commercial, not related to the purchase – sale.

Provision for bad debts is made based on the following principles:

- Make provisions for bad debts when:

- Overdue receivables recorded in economic contracts, loan agreements, contractual commitments or debt commitments, the enterprise has claimed many times but still has not collected, even in cases where there is no receipt. debt reconciliation or the debtor does not sign to confirm the debt or absconds or goes missing. Determining the overdue period of a receivable debt that is determined to be bad and requiring provisioning is based on the principal repayment time according to the original purchase and sale contract, regardless of debt extension between parties.

- Debts receivable are not due for payment but the debtor has fallen into bankruptcy or is undergoing dissolution procedures, is missing, or has fled.

- Conditions and grounds for setting up provisions for bad debts: Follow the provisions of current law.

- The provision or reversal of provisions for doubtful debts is done at the time of preparing the Financial Statements.

- For bad receivables that have lasted for many years, the Company has tried to use all measures to collect the debt but still cannot collect the debt and determine that the debtor is truly unable to pay, the Company Delete bad debts from the accounting books. The deletion of bad debts must be carried out in accordance with the provisions of law and the Company's charter.

- For losses on receivables, if provisions have been made for bad debts, the Company will use the provisions for bad debts that have been set aside to compensate. If the loss is not enough to compensate for the loss, the remaining loss will be included in business management expenses.

5. Inventories

Inventories are stated at the lower of cost and net realizable value are now.

The cost of inventories is determined as follows:

- Materials: including purchase costs and expenses directly related to incurred in bringing the inventories to the location and current status.
- Finished goods: including the cost of materials, direct labor and factory overhead costs related to allocated based on normal production.

Net realizable value means the estimated selling price of inventories in a normal production and business period minus (-) the estimated cost for completing the products and the estimated cost needed for their consumption.

The value of inventories is calculated according to the weighted average method and is accounted for using the perpetual inventory method.

Provision for decline in inventories is established for each item of inventory costs is higher than the net value realizable. Increase or decrease the balance of provision for impairment of inventories should be set aside at the end of the financial year is recognized in cost of goods sold.

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6. Prepaid expenses

Prepaid expenses include the actual costs incurred, but is related to the results of operations and business of many accounting periods. Prepaid expenses of the Company include the following costs:

Tools

Tools and instruments have been put into use are charged to expense under the straight-line method to allocate period not exceeding 3 years.

Repair costs of fixed assets

The cost of repairing once-off assets of large value shall be amortized to the straight-line cost no more than 3 years.

7. Tangible assets

Tangible fixed assets are stated at cost less accumulated amortization. The historical cost of tangial fixed assets include all the expenses that the company incurs to get fixd assets as of the time the assets is put into a state ready for use. The cost incurred affter the initial recognition is only recorded as increase in prices of fixed assets if these costs will undoubtedly lead to economic benefits in the futute due to the use of these assets. The cost incurred are not satisfied these conditions are recognized as cost of production, sales in period.

When tangible fixed assets are sold or retired, their cost and accumulated depreciation are written off and profits and losses arising on disposal are recognized as income or expense in the year.

Tangible fixed assets are depreciated using the straight-line method based on estimated useful life. The depreciation years of the kind of tangible fixed assets as follows:

<u>Kind of tangible fixed assets</u>	<u>Number of years</u>
Houses and architectural objects	05 - 25 years
Machinery and equipment	03 - 15 years
Means of transport, conveyance equipment	06 - 30 years
Other tangible fixed assets	03 - 25 years

8. Intangible assets

Intangible fixed assets are stated at cost less accumulated amortization.

The historical cost of intangible fixed assets include all the expenses that the Company incurs to get fixed assets as of the time the asset is put into a state ready for use. Costs relating to intangible assets incurred after initial recognition are recognized as cost of production, sales in the period, unless these costs are associated with an intangible asset specific and increase economic benefits from these assets.

When intangible fixed assets are sold or retired, their cost and accumulated depreciation are written off and profits and losses arising on disposal are recognized as income or expense in the year.

The right to use land

Land use rights are all the actual costs the company has spent directly related to land use, including money spent to have the right to use the land, the cost of compensation and site clearance, leveling, registration fees... Land use rights with definite term is amortized using the straight line method in 10 years according to the allocation of time (10 years). Land use rights is not amortized if it is indefinite term.

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Software program

The costs associated with computer software programs are not an integral part of capitalized related hardware. The cost of computer software is all the expenses paid by the Company by the time the software is put into use. Computer software is amortized on a straight-line basis over 5 years.

9. Construction in progress

Construction in progress represents direct costs (including related interest expenses in accordance with the Company's accounting policy) to the assets in progress, machinery and equipment are being installed for production, leasing and management purposes as well as expenses related to the ongoing repair of fixed assets. These assets are recorded at cost and are not amortized.

10. Account payable and accrued expense

The accounts payable and accrued expenses are recognized for amounts to be paid in the future related to the goods and services received. Accrued expenses are recognized based on a reasonable estimate of the amount due.

The classification is payable to payable to suppliers, accrued expenses and other payables are carried out in accordance with the following principles:

- Payable reflects payable commercial nature arising from purchases of goods and services, property and the seller is an independent unit with the Company, including amounts to be paid when imported through a trustee.
- Accrued expenses reflect the amounts payable for goods and services received from the seller or the buyer has provided but not paid due to no or insufficient billing records, accounting records and payable to employees on vacation wages, production costs, sales to accruals.
- Other payables reflects non-commercial, not related to the purchase, sale and supply of goods and services.

11. Owner's Equity

Owner's Equity

Capital contributed by owners is recorded at the actual amount of capital contributed by the owners.

12. Profit Distribution

The profit after tax is distributed to the owner after appropriating funds in accordance with the Charter of the Company as well as the provisions of the law and approved by the General meeting of shareholders.

Profit distribution to owners considered that non-monetary items included in retained earning might influence on cash flow and the ability to pay dividends such as gain from revaluation of assets contributed as capital and profit from revaluation monetary items, financial instruments and other non-monetary items.

Profit is recorded as a liability after General meeting of shareholders.

13. Recognition of revenue and income

Revenue is recognized when the company has the ability to achieve the economic benefits can be identified with certainty. Revenue is determined by the fair value of the consideration received or receivable after deducting trade discounts, sales discounts and sales returns.

Revenue from selling clean water

Revenue from sales of goods and finished products are recognized when simultaneously satisfy the following conditions:

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- The Company has transferred substantially all risks and rewards associated with ownership of the goods to the buyer.
- Company no longer retains management of goods as cargo owners or control of goods.
- The revenue can be measured reliably. When the contract regulated that buyers can repay the goods purchased under specific conditions, the company has only recognized revenue when specific conditions no longer exist. Buyers can't repay goods (except customers has the right to repay goods in order to get other goods or services);
- The Company has obtained or will obtain economic benefits from the sale transaction.
- Determine the costs related to sales transactions.

Construction revenue and water meter installation revenue

When the results of contract performance are estimated reliably:

- For construction contracts that require the contractor to be paid according to the value of the work performed, revenue and costs related to the contract recorded corresponding to the completed work which is confirmed by the customer and reflected on the invoice.

The increase and decrease of construction and installation volume, compensation and other revenues are recorded as revenue only when agreed with customers.

When the results of construction contracts cannot be estimated reliably, then:

- Revenue is only recognized as equivalent to the cost of the contract that has arisen but the return is relatively certain.
- The cost of the contract is only recorded as expenses when incurred.

The difference between the total accumulated revenue of a construction contract has been recognized and the accumulated amount recorded on the payment bill according to the contract schedule of the contract is recorded as receivable or payable according to the schedule of construction contracts.

Interest

Interest is recognized on an accrual basis, determined on the balance of deposit accounts and actual interest rates for each period.

14. Deduction from gross revenue

Deductions from gross revenue are reductions from gross revenue, comprising good return in the year.

15. Cost of good sold

Cost of goods sold is total cost of sourcing goods and other cost which is recorded to cost of goods sold and deduction from cost of goods.

16. Selling and managing expense

Selling and managing costs are all the expenses incurred on the sale of products, goods and service providers and the general management costs of the company.

17. Corporating income tax

Current income tax

Current income tax is the tax amount is calculated based on taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting, non-deductible expenses as well as adjusted earnings are not taxed and losses transfer.

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18. Principles and methods of tax records and payments of the state budget

- Value added tax: according to the deduction method
- Corporate income tax: Tax rate of 20%.
- Other taxes in accordance with current regulations at the time of annual tax payment.

19. Segment reporting

Parts of the business sector is a part that can be defined separately involved in the production or supply of products and services and has different risks and economic benefits than other business divisions.

Parts according to geographical area is part can determine the individual involved in the process of producing or providing products or services within an economic environment and specific risks and economic benefits different from business divisions in other economic environments.

20. Related parties

The parties are considered to be related if one party has the ability to control or significantly influence the other party in the decision-making of financial policies and activities. Parties are also considered to be related if they are subject to common control or common significant influences.

In considering the relationship of the parties involved, the nature of the relationship is more emphasis legal form.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE PRESENTATION SHEET (UNIT :VND)**1. Cash and Cash equivalents**

Code	Item	Ending balance	Beginning balance
1.1	Cash on hand	1.280.638.682	48.332.512
1.2	Cash at banks	3.794.893.248	7.952.765.913
1.3	Cash equivalents	51.604.465.971	23.290.049.736
Total		56.679.997.901	31.291.148.161

1.2 Cash at banks

Code	Item	Ending balance	Beginning balance
1.2	Viet Nam Cash	3.794.893.248	7.952.765.913
1.2.1	Agribank Bac Giang	1.814.452.373	5.496.004.345
1.2.2	Vietcombank Bac Giang	864.480.151	1.102.840.911
1.2.3	BIDV Bac Giang	346.052.660	604.411.502
1.2.4	Vietinbank Bac Giang	548.220.498	392.171.434
1.2.5	Techcombank Bac Giang	221.126.118	356.777.395
1.2.6	Co-operative Bank of Vietnam - Bac Giang Branch	561.448	560.326
Total		3.794.893.248	7.952.765.913

No cash at banks are frozen, pledged, mortgaged or guaranteed.

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1.3 Cash equivalents

Deposits with term of less than 3 months at banks, interest rates prescribed for each deposit contract. Details are as follow:

Code	Item	Ending balance	Beginning balance
1.3.1	Term deposit with Techcombank	19.479.809.124	5.530.521.605
1.3.2	Term deposit with Vietcombank	7.264.685.363	5.500.000.000
1.3.3	Term deposit with BIDV	5.061.121.202	4.020.453.029
1.3.4	Term deposit with Co-operative Bank of Vietnam – Bac Giang Branch	5.177.850.479	3.094.468.199
1.3.5	Term deposit with Agribank – Yen Dung Branch	2.179.076.800	2.130.046.700
1.3.6	Term deposit with Agribank	6.078.075.200	2.009.034.800
1.3.7	Term deposit with Vietinbank	4.041.653.408	1.005.525.403
1.3.8	Term deposit with MSB	2.322.194.395	-
Total		51.604.465.971	23.290.049.736

No deposits are blocked or taken as pledge, mortgage or guarantee.

2. Short-term receivables of the customer

Details are as follow:

	Ending balance	Beginning balance
Receivable of related parties	-	-
Others receivable	1.977.019.211	1.103.621.658
Luc Ngan 2 High School	202.247.000	202.247.000
Others	1.774.772.211	901.374.658
Total	1.977.019.211	1.103.621.658

3. Advanced payments to suppliers

Details are as follow:

	Ending balance	Beginning balance
Advanced payments to related parties	-	-
Advanced payments to others	18.726.962.033	23.059.688.546
DNP Bac Giang Water Infrastructure Investment Joint Stock Company (*)	16.074.812.033	20.371.557.996
Minh Ngoc Investment-Construction-Import-Export Joint Stock Company (**)	2.600.000.000	2.600.000.000
Others	52.150.000	88.130.550
Total	18.726.962.033	23.059.688.546

(*) Is an advance payment to buy clean water.

(**) This is an advance payment to the consulting contractor to implement the project of the No. 2 water plant.

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4. Other shortterm receivables

Code	Item	Ending balance	Beginning balance
4.1	Advance	98.500.000	502.000.000
4.2	Other shortterm receivable	413.405.835	344.606.245
Total		511.905.835	846.606.245

4.1 Advance

Details are as follow:	Ending balance	Beginning balance
Advance to related parties	-	-
Advanced to others	98.500.000	502.000.000
Pham Dinh An	31.500.000	-
Nguyen Van Hiep	27.000.000	-
Pham Huu Hong	-	400.000.000
An Dinh Thanh	-	70.000.000
Others	40.000.000	32.000.000
Total	98.500.000	502.000.000

4.2 Other shortterm receivable

Details are as follow:	Ending balance	Beginning balance
Receivable of related parties	-	-
Others receivable	413.405.835	344.606.245
Pre-calculated interest on deposits with a term	114.000.000	337.000.000
Receivable of personal income tax	9.405.835	6.306.245
Others	290.000.000	1.300.000
Total	413.405.835	344.606.245

5. Bad debt

	Ending balance			Beginning balance		
	Time overdue	Original price	Recoverable value	Time overdue	Original price	Recoverable value
<i>Related parties</i>	-	-	-	-	-	-
<i>Others</i>		202.247.000	-		-	-
Luc Ngan 2 High School	Over 3 years	202.247.000	-	Over 3 years	202.247.000	-
Total		202.247.000	-		202.247.000	-

Movements in provision for bad debts are as follows:

	Short-term receivables	Total
Beginning balance	(202.247.000)	(202.247.000)
Additional provisioning	-	-
Reversal of provision	-	-
Ending balance	(202.247.000)	(202.247.000)

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6. Inventories

Code	Item	Ending balance		Beginning balance	
		Historical cost	Provision	Historical cost	Provision
6.1	Raw material, material	7.533.876.706	-	8.745.793.042	-
6.2	Unfinished production and business costs	799.019.548	-	1.409.336.607	-
Total		8.332.896.254	-	10.155.129.649	-

6.1 Raw material, materials

Inventory value of construction materials such as iron, steel ... and raw materials for water production such as chlorine, alum, chemical ...

7. Tangible fix assets

Details in Appendix 01.

8. Intangible fix assets

Item	Land use rights	Water billing software	Total
I. Historical costs			
1. Beginning balance	519.777.977	60.000.000	579.777.977
2. Increase in year	-	-	-
3. Decrease in year	-	-	-
4. Ending balance	519.777.977	60.000.000	579.777.977
<i>In which: Fixed asset has been fully depreciated but still in use</i>	<i>519.777.977</i>	<i>60.000.000</i>	<i>579.777.977</i>
II. Accumulated Amortization			-
1. Beginning balance	519.777.977	60.000.000	579.777.977
2. Charge for period	-	-	-
- Amortization	-	-	-
3. Disposal	-	-	-
4. Ending balance	519.777.977	60.000.000	579.777.977
III. Net book value			-
1. Beginning balance	-	-	-
2. Ending balance	-	-	-

9. Basic construction costs

Details are as follow:	Ending balance	Beginning balance
Clean water supply system project for Tam Di commune and Tien Nha commune, Luc Nam district	15.541.698.263	6.138.658.223
Project No. 2 water plant (*)	12.002.822.443	12.002.822.443
Clean water supply system project for Ngoc Ly commune, Tan Yen district	10.284.049.021	7.779.396.607
Project to build water supply system for Nghia Trung and Que Nham communes	-	29.222.392.918
Others	482.504.340	5.425.363.288
Total	38.311.074.067	60.568.633.479

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(*)Currently, the project of water plant No. 2, which is the investor, has been implemented according to the notice No. 120-TB / TU of Bac Giang provincial party committee on November 25th, 2016 to invest in DNP - Bac Giang clean water plant project of Dong Nai Plastic Joint Stock Company. Currently, all investment costs for the construction of Bac Giang City's No. 2 Water Plant Project have arisen with the amount of VND 12.002.822.443. The total investment cost for this project of Bac Giang City's No. 2 Water Plant Construction Project has arisen and will be gathered and solved when the Project is settled.

According to the conclusions of the Provincial Standing Committee on investment policy of DNP-Bac Giang Clean Water Project No. 120-TB / TU on November 25th, 2016: Consensus on the investment plan of the factory project DNP-Bac Giang clean water of Dong Nai Plastic Joint Stock Company, stopped deploying and did not borrow money from ADB to implement the project of Bac Giang City's No. 2 Water Plant, invested by Bac Giang Clean Water Joint Stock Company, according to issued by the Chairman of the Provincial People's Committee in Report No. 3686 / TTr-UBND dated November 18th, 2016. Direct the Department of Planning and Investment and the Department of Finance to act as intermediaries, work closely with Bac Giang Clean Water Joint Stock Company and Dong Nai Plastic Joint Stock Company in the process of Dong Nai Plastic Joint Stock Company participating in buying shares to make Strategic shareholders of Bac Giang Clean Water Joint Stock Company as well as settlement of expenses incurred for the project of Bac Giang Water Plant No. 2 in ADB loan according to regulations.

10. Long-term prepaid expenses

The situation

	Current year	Previous year
Beginning balance	1.467.208.222	956.953.225
Increase in year	5.334.342.157	2.996.078.844
Decrease in year	(4.127.368.136)	(2.485.823.847)
Ending balance	2.674.182.243	1.467.208.222

Details are as follow:	Ending balance	Beginning balance
Tools and instrument, Repair costs of fixed assets	2.674.182.243	1.467.208.222
Total	2.674.182.243	1.467.208.222

11. Short-term payables

Details are as follow:	Ending balance	Beginning balance
Payable to related parties	-	-
Others payables	634.402.602	2.186.056.391
Branch of Vietvalues Audit & Consulting Co., Ltd	190.000.000	-
ruong An Trading Engineering Company Limited	156.980.160	-
Hong Phuoc Investment and Trading JSC	107.624.592	-
M&Q Construction Trading and Services Joint Stock Company	39.501.000	791.804.207
Dang Dung Construction and Trading Joint Stock Company	47.539.850	509.169.150
Bac Giang Provincial Center for Disease Control	-	211.704.000
Other subjects	92.757.000	673.379.034
Total	634.402.602	2.186.056.391

Of which: There are no trade payables that are overdue.

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12. Taxes and amounts payable to the State

Details are as follow:	Beginning balance		Arising this year		Ending balance	
	Payable	Receivable	Payable in year	Paid in year	Payable	Receivable
VAT output	-	-	504.935.458	428.471.530	76.463.928	-
CIT	1.001.428.025	-	3.401.407.380	3.149.097.151	1.253.738.254	-
PIT	26.775.345	-	564.857.600	575.837.310	15.795.635	-
Resource tax	20.168.875	-	406.872.265	386.424.402	40.616.738	-
Domestic wastewater fee	661.446.640	-	8.444.017.966	8.301.009.214	804.455.392	-
Other tax	29.408.900	-	233.902.602	263.311.502	-	-
Total	1.739.227.785	-	13.555.993.271	13.104.151.109	2.191.069.947	-

Value Added Tax

Business applied VAT deducted method. VAT rate for construction activities is 8%, VAT of clean water supply is 5%. The VAT rate for providing services to export processing zones is 0%.

Corporate Income Taxes (CIT)

Income from business activities must pay corporate income tax at the rate of 20%.

The table of CIT estimates for the period is estimated as the following table:

	Current year	Previous year
Total accounting profit before tax	14.889.166.688	15.311.752.888
Adjustments to increase or decrease accounting profits to determine profits subject to enterprise income tax:		
- Adjustments increase	2.117.870.212	2.144.304.596
- Adjustments decrease	-	-
Taxable income	17.007.036.900	17.456.057.484
Income is exempt from tax	-	-
Losses of previous years were transferred	-	-
Tax calculation income	17.007.036.900	17.456.057.484
Enterprise income tax rate	20%	20%
Corporate income tax must be paid at the common tax rate	3.401.407.380	3.491.211.497
<i>The corporate income tax is different due to the application of other tax rates</i>	-	-
<i>Enterprise income tax is exempted or reduced(*)</i>	-	-
Corporate income tax payable	3.401.407.380	3.491.211.497
<i>Adjustment of corporate income tax payable in previous years</i>	-	104.112.798
Total corporate income tax is still payable	3.401.407.380	3.595.324.295

Tax expense Corporate income is based on estimated taxable income that can be considered and adjusted when the tax authority finalizes it.

Resource tax

Resource tax is calculated on the volume of raw water exploited in the year. The unit price for resource tax is VND 3.750/m³. The resource tax rate is 1%.

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Notes of financial statement (continues)**Other taxes**

The company declares and pays according to regulations.

13. Payable to employees

Details are as follow:	Ending balance	Beginning balance
Salary	13.374.319.900	15.804.684.700
Total	13.374.319.900	15.804.684.700

14. Short-term accrued expenses

Details are as follow:	Ending balance	Beginning balance
Advance deduction of depreciation costs for fixed assets of Doi Ngo water supply system, Luc Nam district (*)	13.804.726.250	13.804.726.250
Advance cost for Water Plant Project No. 2 (**)	4.000.000.000	2.000.000.000
Advance depreciation expense of Nghia Trung Que Nham Project	-	1.549.057.173
Others	1.610.505.569	995.833.204
Total	19.415.231.819	18.349.616.627

(*) According to Decision No. 262/QD-UBND of Bac Giang Provincial People's Committee dated 11th February 2015 on approving the settlement of the project to complete Doi Ngo water supply system, Luc Nam district with the settlement value of VND 39.442.075.000 . According to the announcement No. 230/UBND-XD of Bac Giang People's Committee dated January 25th, 2014, the Provincial People's Committee agreed to let Luc Nam District People's Committee hand over to Bac Giang Water Supply and Sewerage Co., Ltd which is now Bac Giang Clean Water Joint Stock Company manages and operates the above project. However, the unit still has not received the handover minutes of Luc Nam District People's Committee to the unit for this project so currently the unit is temporarily deducting the depreciation to pay (10%) for this project to have the capital must be paid when receiving the handover from the managing unit in the year according to the settlement value of Bac Giang People's Committee. However, the Company has stopped depreciating from July 1st, 2019.

(**) This is an advance expense for Water Plant Project No. 2 waiting for direction from a competent state agency. For details, see Note No. V.9.

15. Bonus and welfare fund

Details are as follow:	Current year	Previous year
Beginning balance	1.910.176.307	1.860.962.029
Increase due to deductions from profits	1.148.775.931	1.757.464.289
Other increases	290.160.000	294.646.989
Fund expenditure	(1.883.315.000)	(2.002.897.000)
Ending balance	1.465.797.238	1.910.176.307

16. Owning Capital**16a. Owning Capital Reconcile Table**

The crisis of owning capital information are showed in attach file – schedule 02.

16b. Owning capital in detail

Authorized Capital contribution status as follow:

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Address: No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

(*)Owning capital sources

Owner	Ending balance		Beginning balance	
	Rate	Ending balance	Rate	Beginning balance
Capital contributed by the State	51%	92.562.490.205	51%	92.562.490.205
DNP Hawaco JSC	24,99%	45.355.000.000	-	-
DNP nước Water Industry Investment JSC	-	-	24,99%	45.355.000.000
Huong Xuan Cong	1,24%	2.250.000.000	1,24%	2.250.000.000
Tran Dang Dieu	0,55%	1.001.000.000	0,55%	1.001.000.000
Others	22,22%	40.325.970.000	22,22%	40.325.970.000
Total	100%	181.494.460.205	100%	181.494.460.205

16c. Shares

Details are as follow:	Ending balance	Beginning balance
Number of shares registered to issue	24.400.800	24.400.800
Number of shares sold to the public	18.149.446	18.149.446
- Common shares	18.149.446	18.149.446
- Preferred shares	-	-
Number of shares bought back	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	18.149.446	18.149.446
- Common shares	18.149.446	18.149.446
- Preferred shares	-	-
Face value of shares in circulation (dong/share)	10.000	10.000

17. Items off the balance sheet**17a. Assets received and held on behalf of others**

Details are as follow:	Ending balance	Beginning balance
Water supply system in Doi Ngo town, Luc Nam district	39.442.075.000	39.442.075.000
Total	39.442.075.000	39.442.075.000

The water supply system in Doi Ngo town, Luc Nam district is a system that has been handed over to management before equitization, and is waiting for the direction of the competent state agency.

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

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FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

**VI. ADDITION INFORMATION FOR ITEMS IN STATEMENT OF PROFIT AND LOSS
(UNIT: VND)****1. Sales****1a. Sales**

Details are as follow:

	Current year	Previous year
Revenue from selling clean water in Bac Giang city	167.786.834.235	160.924.859.747
Revenue from water supply clean water factory Luc Nam	6.700.491.455	5.777.223.606
Construction revenue	5.512.813.844	4.131.010.416
Total	180.000.139.534	170.833.093.769

1b. Sales revenue and service provision for related parties

The company does not generate sales with related parties.

2. The revenue deductions

Details are as follow:

	Current year	Previous year
Discount sales	19.141.100	23.427.861
Total	19.141.100	23.427.861

3. Cost of good sold

Details are as follow:

	Current year	Previous year
Cost from selling clean water in Bac Giang city	101.093.692.370	96.826.081.838
Cost from water supply clean water factory Luc Nam	3.702.774.518	2.928.642.130
Construction Cost	5.542.120.303	3.882.609.267
Total	110.338.587.191	103.637.333.235

4. Financial Income

Details are as follow:

	Current year	Previous year
Interest on savings deposits	1.297.310.454	3.884.529.616
Total	1.297.310.454	3.884.529.616

5. Selling expense

Details are as follow:

	Current year	Previous year
Employees cost	25.775.342.148	27.406.449.597
Tools and supplies	409.085.815	309.290.193
Fixed asset depreciation	7.725.341.911	7.881.021.917
Outside purchasing services cost	1.446.628.750	1.090.272.677
Other expense in cash	817.208.532	1.190.682.882
Total	36.173.607.156	37.877.717.266

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Address: No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)**6. Administration expense**

Details are as follow:	Current year	Previous year
Employees cost	14.066.893.174	11.587.586.959
Office tools cost	164.792.817	160.203.821
Fixed asset depreciation	265.323.775	311.429.849
Tax, fees and charges	63.548.174	77.925.699
Redundancy costs	2.000.000.000	2.000.000.000
Outside purchasing services cost	829.738.817	716.678.419
Other expense in cash	2.294.897.053	3.641.295.750
Total	19.685.193.810	18.495.120.497

7. Other income

Details are as follow:	Current year	Previous year
Collected 10% (fee income is retained)	852.931.109	815.095.826
Other income	101.284.817	89.125.562
Total	954.215.926	904.221.388

8. Other expense

Details are as follow:	Current year	Previous year
Remaining cost of fixed assets	1.074.342.472	164.811.447
Penalty cost	71.627.497	79.082.966
Other costs	-	16.258.888
Total	1.145.969.969	260.153.301

9. Basic interest on shares

Item	Current year	Previous year
- Accounting profit after corporate income tax	11.487.759.308	11.716.428.593
- Adjustments to increase or decrease accounting profits to determine profit or loss attributable to shareholders owning common shares:		
- <i>Deduction for bonus and welfare fund</i>	<i>(1.148.775.931)</i>	<i>(1.757.464.289)</i>
- Profit or loss attributable to shareholders owning common shares	10.338.983.377	9.958.964.304
- Common shares outstanding Average during the period (share)	18.149.446	18.149.446
Basic interest on shares (dong /share)	570	548

The company has not held the shareholders' meeting, the basic profit on the share is a temporary number. Basic earnings per share may be adjusted when there is a decision of the general meeting of shareholders on real profit distribution currently in accordance with the charter of the company.

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

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FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

Ordinary shares in issue during the year average is calculated as follows:

	Current year	Previous year
Common shares are circulating at the beginning of the year	18.149.446	18.149.446
Influence of redemption of common shares	-	-
Influence of common shares issuing share surplus	-	-
Influence of ordinary shares issued from development investment fund	-	-
Influence of ordinary shares issued from undistributed after-tax profit	-	-
Common shares outstanding Average during the period	18.149.446	18.149.446

10. Interest decline on shares

	Current year	Previous year
Profit attributable to shareholders owning common shares using basic interest on shares	10.338.983.377	9.958.964.304
Adjustments increase, reduce profits:		
- After-tax effects of convertible bond interest	-	-
- Dividends of preferred shares have the right to convert	-	-
Total	10.338.983.377	9.958.964.304
Profits for calculating declining interest on shares	10.338.983.377	9.958.964.304
Number of common shares used to calculate declining interest on shares	18.149.446	18.149.446
Interest decline on shares	570	548

11. Production cost in elements

Details are as follow:	Current year	Previous year
Material cost	24.888.313.816	21.424.241.033
Labor cost	54.651.065.490	57.864.079.796
Fixed asset depreciation	13.975.910.082	13.949.929.505
Redundancy costs	2.000.000.000	2.000.000.000
Outside purchasing services cost	4.056.411.796	3.647.636.849
Other expense in cash	66.625.686.973	61.124.283.815
Total	166.197.388.157	160.010.170.998

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Address: No 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

VII. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CASH FLOW STATEMENT (UNIT: VND)

1. Transactions are not in cash

The company does not incur transactions without cash.

2. Cash and cash equivalents which the Company holds but is not allowed to use

The Company does not incur cash and cash equivalents which the Company holds but is not allowed to use.

VIII. OTHER INFORMATION (UNIT: VND))

1. Potential assets

Company that does not have potential assets affecting the Financial Statements are required to have data adjustments or disclosures in the Financial Statements.

2. Potential debt

Company that does not have potential debt affecting the Financial Statements are required to have data adjustments or disclosures in the Financial Statements.

3. Transaction and Balance with related parties

Related parties include: key management members.

3a. Transaction and Balance with main administrators and individuals related to main administrators

The key management members include: Members of the Board of managements and the Board of Directors.

The company does not generate sales and provide services to key management members. Other transactions during the year have transactions on salaries, bonuses, allowances and dividends in the year for key management members detailed in the following table:

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

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FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

3b. Transactions and balances with other related parties

Full name	Current year				
	Salaries	Bonuses, allowances	Remuneration	Dividends	Total
Mr Huong Xuan Cong	484.886.000	320.757.000	-	123.300.000	928.943.000
Mr Tran Dang Dieu	417.005.000	196.477.000	36.000.000	54.854.800	704.336.800
Mrs Nguyen Thi Phuong Thao	285.058.000	183.582.000	36.000.000	50.142.000	554.782.000
Mrs Nguyen Thi Thanh Thuy	187.705.000	124.100.000	24.000.000	19.180.000	354.985.000
Mrs Vu Thi Thuy	178.805.000	128.130.000	18.000.000	16.440.000	341.375.000
Mr Bui Vinh Bac	327.236.000	169.705.000	36.000.000	32.989.600	565.930.600
Mr Bui The Binh	329.405.000	172.367.000	-	39.675.200	541.447.200
Mr Nguyen Trong Hieu	-	-	27.000.000	-	27.000.000
Mr Trinh Kien	-	-	13.500.000	54.800	13.554.800
Total	2.210.000.000	1.295.118.000	190.500.000	336.636.400	4.032.354.400
Full name	Previous year				
	Salaries	Bonuses, allowances	Remuneration	Dividends	Total
Mr Huong Xuan Cong	498.632.000	332.836.000	-	112.500.000	943.968.000
Mr Tran Dang Dieu	424.767.000	200.387.000	36.000.000	50.050.000	711.204.000
Mrs Nguyen Thi Phuong Thao	294.986.000	168.454.000	36.000.000	33.300.000	532.740.000
Mrs Nguyen Thi Thanh Thuy	194.273.000	126.500.000	24.000.000	17.500.000	362.273.000
Mrs Vu Thi Thuy	168.474.000	114.438.000	18.000.000	15.000.000	315.912.000
Mr Bui Vinh Bac	337.432.636	132.586.364	25.500.000	20.100.000	515.619.000
Mr Bui The Binh	339.732.000	166.800.000	-	36.200.000	542.732.000
Total	2.258.296.636	1.242.001.364	139.500.000	284.650.000	3.924.448.000

Other related parties Relationship

DNP Hawaco JSC Mr. Nguyen Trong Hieu is a member of the Board of Managements of Bac Giang Clean Water Joint Stock Company and Chairman of the Board of Managements of DNP Hawaco JSC.

Transactions with other related parties:

Related parties	Content	Current year	Previous year
DNP Hawaco JSC	Purchase	6.368.539.200	1.122.000.000
	Paid the supplier	6.368.539.200	1.122.000.000

Guarantee commitment

The Company does not use fixed assets, inventory, ... to secure loans to other related parties and other related parties also do not use their assets to secure loans for the company..

Debts with other related parties

At the end of the fiscal year, the Company had no debts with other related parties

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

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FINANCIAL STATEMENT

For the year ended 31st December, 2024

Notes of financial statement (continues)

4. Segment reporting

Department information is presented by business sector and geographic area.

Presentation of department reports according to business sector:

During the year, the company's main business is selling clean water and installing water meters.

Presentation of department reports according to geographic area:

During the year, the entire operation of the Company is in Bac Giang province.

5. The Company's continued ability to operate

At the time of preparing the Financial Statements, there are no factors that could affect the Company's ability to continue as a going concern. Therefore, the Financial Statements for the year ended 31st December 2024 are based on the assumption that the Company operates continuously.

6. Events occurring after the financial year end date

No event arising after the end of the financial year requires adjustment of data or disclosure in the Financial Statements.

Bac Giang, 14 March 2025

Prepared by

TRAN DUC THANH

Chief Accountant

NGUYEN THI PHUONG THAO

President



HUONG XUAN CONG

Appendix 01- Tangible fixed asset

Items	Houses and architectural objects	Machinery and equipment	Means of transport, conveyance equipment	Other fixed assets	Total
I. Historical cost					
1. Beginning balance	68,913,467,954	72,870,480,485	173,205,336,260	40,238,000	315,029,522,699
2. Increase in this year	811,681,623	2,476,003,818	39,624,099,694	-	42,911,785,135
- New purchase	-	2,476,003,818	-	-	2,476,003,818
- Increase due to completed capital construction	811,681,623	-	39,624,099,694	-	40,435,781,317
3. Decrease in year	905,419,241	3,269,794,164	3,277,393,846	40,238,000	7,492,845,251
- Other	905,419,241	3,269,794,164	3,277,393,846	40,238,000	7,492,845,251
4. Ending balance	68,819,730,336	72,076,690,139	209,552,042,108	-	350,448,462,583
- Of which, Fixed assets fully depreciated but still in use	32,680,463,672	34,571,532,932	89,176,064,064	-	156,428,060,668
II. Accumulated depreciation					
1. Beginning balance	59,148,815,737	56,910,502,827	122,373,132,790	40,238,000	238,472,689,354
2. Increase in this year	3,559,192,735	4,169,635,775	7,254,881,113	-	14,983,709,623
- Depreciation for the year	3,559,192,735	4,169,635,775	7,254,881,113	-	14,983,709,623
3. Decrease in this year	892,465,241	2,691,167,357	2,682,834,360	40,238,000	6,306,704,958
- Other	892,465,241	2,691,167,357	2,682,834,360	40,238,000	6,306,704,958
4. Ending balance	61,815,543,231	58,388,971,245	126,945,179,543	-	247,149,694,019
III. Net book value					
1. Beginning balance	9,764,652,217	15,959,977,658	50,832,203,470	-	76,556,833,345
2. Ending balance	7,004,187,105	13,687,718,894	82,606,862,565	-	103,298,768,564

In which: Unit does not bring any fixed assets to pledge or mortgage

Prepared by



TRAN DUC THANH

Chief accountant



NGUYEN THI PHUONG THAO



Bac Giang, Bac Giang, March, 2025

President

HUONG XUAN CONG

BAC GIANG CLEAN WATER JOINT STOCK COMPANY

Notes to the financial statements (continues)

For the year ended 31 December 2024

Appendix 02 - The crisis of owning capital information

Items	Owner's Equity	Development investment fund	Retained earning	Total
Balance at 1 January 2023	181,494,460,205	881,673,248	9,075,275,876	191,451,409,329
Increase in the previous year + Profit	-	-	11,716,428,593	11,716,428,593
Decrease in the previous year + Pay dividends for 2022	-	-	11,716,428,593	11,716,428,593
+ Deduction for setting up a reward fund	-	-	(10,832,187,289)	(10,832,187,289)
Balance at 31 December 2023	181,494,460,205	881,673,248	(9,074,723,000)	(9,074,723,000)
Balance at 1 January 2024	181,494,460,205	881,673,248	9,959,517,180	192,335,650,633
Increase in this year + Profit	-	-	11,487,759,308	11,487,759,308
Decrease in this year + Pay dividends for 2023	-	-	11,487,759,308	11,487,759,308
+ Deduction for setting up a reward fund	-	-	(11,094,672,339)	(11,094,672,339)
Balance at 31 December 2024	181,494,460,205	881,673,248	(9,945,896,408)	(9,945,896,408)
			(1,148,775,931)	(1,148,775,931)
			10,352,604,149	192,728,737,602

Prepared by

Tran Duc Thanh

TRAN DUC THANH

Chief Accountant

Nguyen Thi Phuong Thao

NGUYEN THI PHUONG THAO

Bac Giang, 4th March, 2025

President



HUONG XUAN CONG