

VIETVALUES Audit and Consulting Co., Ltd

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INDEPENDENT AUDITOR'S REPORT ABOUT FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AS OF DECEMBER 31, 2024

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

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QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Statement of the Board of General Directors

For the fiscal year ending December 31, 2024



STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of Management of Quang Tri Clean Water Joint Stock Company presents this report together with the audited financial statements for the fiscal year ended as of December 31, 2024.

1. Overview

Quang Tri Clean Water Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company that was equitized from Quang Tri Water Supply and Construction One Member Limited Liability Company under Decision No. 2435/QD-UBND dated November 5, 2015, issued by the People's Committee of Quang Tri Province. The Company operates in accordance with its first Business Registration Certificate No. 3200041908, issued on November 19, 2007, by the Department of Planning and Investment of Quang Tri Province, as well as the Enterprise Law, the Company Charter, and other relevant legal regulations. Since its establishment, the Company has amended its Business Registration Certificate three times, with the most recent amendment made on November 16, 2016.

The Company's shares have been registered and assigned a stock code at the Vietnam Securities Depository Center, as per Securities Registration Certificate No. 151/2016/GCNCP-VSD dated November 23, 2016. The Company's stock code is NQT, and its shares are currently listed on the UPCOM stock exchange.

Charter capital: VND 182,332,690,000

Paid-in capital as at December 31, 2024: VND 182,332,690,000

2. Operating office

Address : No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Telephone : 0233 3554 133

Email : qtwaco@gmail.com

3. Principal activities

- Water extraction, treatment, and supply;
- Design of civil and industrial structures, including water supply and drainage systems;
- Installation of water supply and drainage, heating, and air conditioning systems. Details: Installation of water supply and drainage systems;
- Technical inspection and analysis. Details: Inspection of cold water meters;

4. Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant

Members of Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant during the year and up to the date of this report are as follows:

4.1 Board of Management

Name	Position	Appointed date	Dismissal date
Mr. Dao Ba Hieu	Chairman	18/11/2021	
Mr. Ngo Ngoc Tung	Vice Chairman	18/11/2021	
Mr. Nguyen Ha Hai	Member	18/11/2021	16/08/2024
Mr. Le Van Tu	Member	18/11/2021	
Mr. Tran Van Hoi	Member	18/11/2021	

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Statement of the Board of General Directors (cont'd)

For the fiscal year ending December 31, 2024

Mr. Le Thanh Ty	Member	16/08/2024
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4.2 Board of Supervisors

Name	Position	Appointed date	Dismissal date
Mr. Pham Hong Tuan	Supervisory	28/05/2022	
Mr. Nguyen Dang Tu	Member	28/05/2022	
Ms. Nguyen Thi Thanh Nga	Member	28/05/2022	

4.3 Board of General Directors and Chief Accountant

Name	Position	Appointed date	Dismissal date
Mr. Le Thanh Ty	Director	05/09/2024	
Mr. Nguyen Ha Hai	Director	01/12/2021	04/09/2024
Mr. Le Van Tu	Vice Director	01/12/2021	
Mr. Tran Van Hoi	Vice Director	01/04/2021	
Mr. Le Thanh Ty	Vice Director	01/04/2021	
Ms. Le Thi Luu	Chief Accountant	01/10/2022	

5. The legal representative

The legal representative of the Company during the year and up to the date of this report is Mr. Dao Ba Hieu, Chairman of the Board of Management.

6. Bussiness operation

The results and financial position for the fiscal year ended as of December 31, 2024 of Quang Tri Clean Water Joint Stock Company have been expressed in the Financial Statements from page 07 to page 38.

7. Subsequent events

In the opinion of the Board of General Directors, the Company's financial statements for the fiscal year ended as of December 31, 2024 would not be seriously affected by any important items, transactions, or any extraordinary events happened up to the reporting date, which need any adjustments to the figures or disclosures in the financial statements.

8. Auditors

Branch of **VIETVALUES** Audit and Consulting Co., Ltd. in Da Nang city has performed the review on the Company's Financial Statements for the fiscal year ended as of December 31, 2024. Branch of **VIETVALUES** Audit and Consulting Co., Ltd. in Da Nang city has expressed their willingness to be appointed as the Company's independent auditor in the coming years.

9. Responsibility of the Board of General Directors

The Board of General Directors are responsible for the preparation and fair presentation of the Company's financial position, income statement and cash flow statements. In respect of the preparation of the these statements, the Board of General Directors are responsible for:

- Selecting suitable accounting policies and then applying them consistently.
- Making reasonably and prudently judgments and estimates.
- Stating whether applicable accounting principles have been followed or not and there are any significant discrepancies that should be presented and explained in the financial statements or not.

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Statement of the Board of General Directors (cont'd)

For the fiscal year ending December 31, 2024

- Preparing the financial statements on going concern basis, unless it is inappropriate to presume that the Company will continue as a going concern.
- Establishing and implementing the internal control systems effectively in order to limit the risks of material misstatement due to fraud or mistakes in the preparation and presentation of financial statements.

The Board of General Directors ensure that the relevant accounting books are fully kept in order to reflect the financial position and operations of the Company with reasonable accuracy at any time and in compliance with the applied accounting system. The Board of General Directors are also responsible for managing the assets of the Company and therefore have taken appropriate measures to prevent and detect frauds and legal regulations related to the preparation and presentation of financial statements.

The Board of General Directors have complied with the commitments above and requirements in preparing the financial statements

10. Approval of Financial Statements

We, the Board of General Directors have approved the accompanying financial statements. The financial statements give a true and fair view of the financial position as at December 31, 2024 and the results of operations and cash flows for the fiscal year then ended in accordance with the Vietnamese accounting standards, Vietnamese corporate accounting regime and the legal provisions relating to the preparation and presentation of financial statements.

On the behalf of the Board of General Directors



LE THANH TY

Director

Quang Tri, March 15, 2025



No: 15/2025/BCKT/AUD-DNVVALUES

INDEPENDENT AUDITOR'S REPORT

**Dear: THE SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS
QUANG TRI CLEAN WATER JOINT STOCK COMPANY**

We have audited the accompanying Financial Statements of Quang Tri Clean Water Joint Stock Company (hereinafter referred to as "the Company"), prepared on March 15, 2025, from page 07 to page 38, which comprise the Balance Sheet as at December 31, 2024, the Income Statement, the Statement of Cash Flows and the Notes to the Financial Statements for the fiscal year then ended..

The Board of General Directors's responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion about these Financial Statements based on our review. 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 Board of General Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Quang Tri Clean Water Joint Stock Company as of December 31, 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 the preparation and presentation of financial statements..

Emphasis of Matter

We would like to draw the reader's attention to Note VIII.4 – Changes in Accounting Estimates in the financial statements. This year, the Company has revised its estimated accelerated depreciation rate to 1.8 times for certain tangible fixed assets. The Company's Board of Directors believes that applying the new depreciation rate will more appropriately reflect the efficiency of fixed asset utilization.

In accordance with Accounting Standard No. 29 – Changes in Accounting Policies, Accounting Estimates, and Errors, the change in the accelerated depreciation rate has resulted in an increase of VND 8,845,138,348 in depreciation expenses for the year compared to applying the previous year's depreciation rate. If the Company had applied the same accelerated depreciation rate last year, the depreciation expenses for the prior year would have increased by VND 8,842,085,837. Consequently, certain comparative figures in the financial statements have been adjusted, as presented in Note VIII.4 – Notes to the Financial Statements.

Our audit opinion is not modified in respect of this matter.

Other Matter

The financial statements for the fiscal year ended December 31, 2023, were audited by a different audit firm, which expressed an unmodified opinion on these financial statements, as stated in Audit Report No. 1803.01-24/BC-TC/VAE dated March 18, 2024.

Da Nang City, March 15, 2025.

Branch of VIETVALUES Audit and Consulting Co., Ltd. in Da Nang City



Trần Xuân Thanh – Director of Branch

Certificate of registration for practicing audit

No: 1650-2023-071-1

Authorized signature

Tran Quoc Bao - Auditor

Certificate of registration for practicing audit

No: 5199-2021-071-1

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QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Balance Sheet

As at December 31, 2024

BALANCE SHEET

As at December 31, 2024

Unit: VND

Code	ASSETS	Note	Closing balance (as at 31/12/2024)	Opening balance (as at 01/01/2024)
1	2	3	4	5
100	A. SHORT-TERM ASSETS		126,985,436,315	93,767,551,825
110	I. Cash and cash equivalents	V.1	19,257,017,676	8,942,020,745
111	1. Cash		19,257,017,676	8,942,020,745
112	2. Cash equivalents		-	-
120	II. Short-term financial investments		75,230,296,862	46,867,237,313
121	1. Trading securities		-	-
123	2. Investments held to maturity	V.2	75,230,296,862	46,867,237,313
130	III. Short-term receivables		18,416,385,203	19,272,009,316
131	1. Short-term trade receivables	V.3	16,253,834,610	14,198,283,787
132	2. Short-term prepayments to suppliers	V.4	1,624,096,364	4,534,220,189
136	3. Other short-term receivables	V.5	962,592,703	752,837,040
137	4. Short-term provision for doubtful debts	V.6	(424,138,474)	(213,331,700)
140	IV. Inventories		13,956,729,794	15,629,493,758
141	1. Inventories	V.7	13,956,729,794	15,629,493,758
149	2. Allowances for decline in value of inventories		-	-
150	V. Other short-term assets		125,006,780	3,056,790,693
151	1. Short-term prepaid expenses	V.8a	125,006,780	586,032,760
152	2. Deductible VAT		-	2,455,642,685
153	3. Taxes and other receivables to the State		-	15,115,248
200	B. LONG-TERM ASSETS		181,005,207,789	204,322,850,307
210	I. Long-term receivables		-	-
220	II. Fixed assets		172,277,561,629	198,320,518,008
221	1. Tangible fixed assets	V.9	171,572,686,100	197,428,502,757
222	- Historical costs		486,495,365,603	479,784,872,598
223	- Accumulated depreciation		(314,922,679,503)	(282,356,369,841)
227	2. Intangible fixed assets	V.10	704,875,529	892,015,251
228	- Historical costs		1,509,554,000	1,509,554,000
229	- Accumulated depreciation		(804,678,471)	(617,538,749)
230	III. Investment properties		-	-
231	- Historical costs		-	-
232	- Accumulated depreciation		-	-
240	IV. Long-term assets in progress		4,315,858,561	348,848,987
241	1. Long-term work in progress		-	-
242	2. Construction in progress	V.11	4,315,858,561	348,848,987
250	V. Long-term financial investments		-	-
260	VI. Other long-term assets		4,411,787,599	5,653,483,312
261	1. Long-term prepaid expenses	V.8b	4,411,787,599	5,653,483,312
262	2. Deferred tax assets		-	-
270	TOTAL ASSETS		307,990,644,104	298,090,402,132

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

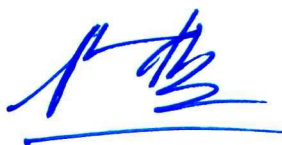
No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Balance Sheet (cont'd)

As at December 31, 2024

Code	RESOURCES	Note	Closing balance (as at 31/12/2024)	Opening balance (as at 01/01/2024)
1	2	3	4	4
300	C. LIABILITIES		85,578,201,714	83,787,477,300
310	I. Short-term liabilities		57,957,458,284	48,990,935,668
311	1. Short-term trade payables	V.12	8,293,267,241	12,434,093,956
312	2. Short-term advances from customers	V.13	1,269,103,410	4,362,707,500
313	3. Taxes and other payables to government budget	V.14	3,266,648,071	1,640,632,441
314	4. Payables to employees	V.15	18,223,937,050	12,704,306,840
315	5. Short-term accrued expenses	V.16	1,720,304,077	1,721,307,383
319	6. Other short-term payables	V.17	9,329,076,915	5,975,422,989
320	7. Short-term borrowings and finance lease liabilities	V.18a	9,385,980,634	6,637,115,907
322	8. Bonus and welfare fund	V.19	6,469,140,886	3,515,348,652
330	II. Long-term liabilities		27,620,743,430	34,796,541,632
338	1. Long-term borrowings and finance lease liabilities	V.18b	22,933,199,595	32,319,180,229
343	2. Science and technology development fund	V.20	4,687,543,835	2,477,361,403
400	D. OWNER'S EQUITY		222,412,442,390	214,302,924,832
410	I. Owner's equity	V.21	222,412,442,390	214,302,924,832
411	1. Contributed capital		182,332,690,000	182,332,690,000
411a	- Ordinary shares with voting rights		182,332,690,000	182,332,690,000
411b	- Preference shares		-	-
418	2. Development investment funds		20,239,987,540	15,228,159,900
421	3. Undistributed profit after tax		19,839,764,850	16,742,074,932
421a	- Undistributed profit after tax brought forward		-	-
421b	- Undistributed profit after tax for the current year		19,839,764,850	16,742,074,932
430	II. Other sources and funds		-	-
440	TOTAL RESOURCES		307,990,644,104	298,090,402,132

Preparer



PHAN NGOC LINH

Chief Accountant



LE THI LUU

Quang Tri, March 15, 2025

General Director



LE THANH TY

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Income Statement

For the fiscal year ended as of December 31, 2024

INCOME STATEMENT
For the fiscal year ended as of December 31, 2024

Unit: VND

Code	ITEMS	Note	Current year	Previous year
1	2	3	4	5
01	1. Revenues from sales and services rendered	VI.1	186,446,647,212	139,989,935,172
02	2. Revenue deductions		-	-
10	3. Net revenues from sales and services rendered		186,446,647,212	139,989,935,172
11	4. Costs of goods sold	VI.2	121,264,966,062	91,729,924,807
20	5. Gross revenues from sales & services rendered		65,181,681,150	48,260,010,365
21	6. Financial income	VI.3	2,035,122,889	2,907,777,058
22	7. Financial expenses	VI.4	3,244,925,480	3,151,820,986
23	- In which: Interest expenses		3,244,925,480	3,151,820,986
25	8. Selling expenses	VI.5	20,798,667,853	16,458,056,571
26	9. General administration expenses	VI.6	18,205,054,568	14,325,164,921
30	10. Net profits from operating activities		24,968,156,138	17,232,744,945
31	11. Other income	VI.7	1,633,788,871	4,801,130,689
32	12. Other expenses	VI.8	1,622,285,966	1,795,812,923
40	13. Other profits		11,502,905	3,005,317,766
50	14. Total net profit before tax		24,979,659,043	20,238,062,711
51	15. Current corporate income tax expenses	V.14	5,139,894,149	3,531,970,577
52	16. Deferred corporate income tax expenses		-	-
60	17. Profits after corporate income tax		19,839,764,894	16,706,092,134
70	18. Basic earnings per Share	VI.9	870	731
71	19. Diluted earnings per Share	VI.10	870	731

Quang Tri, March 15, 2025

Preparer



PHAN NGOC LINH

Chief Accountant



LE THI LUU

General Director



LE THANH TY

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

Statement of Cash flow

For the fiscal year ended as of December 31, 2024

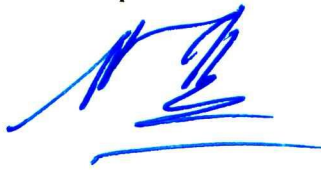
STATEMENT OF CASH FLOW

(Under direct method)

For the fiscal year ended as of December 31, 2024

Unit: VND

Code	ITEMS	Note	Current year	Previous year
1	2	3	4	5
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Proceeds from sales of merchandise, services rendered and others		185,432,876,194	122,233,312,471
02	2. Expenditures paid to suppliers		(69,909,038,068)	(24,232,604,014)
03	3. Expenditures paid to employees		(46,406,903,874)	(44,129,286,667)
04	4. Paid interests	V.16, V1.4	(3,384,759,787)	(3,207,750,729)
05	5. Paid corporate income tax	V.14	(3,926,887,201)	(4,178,943,886)
06	6. Other proceeds from operating activities		29,388,354,601	1,234,142,363
07	7. Other expenditures on operating activities		(31,162,291,882)	(25,890,484,730)
20	Net cash flows from operating activities		60,031,349,983	21,828,384,808
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Expenditures on purchase, construction of fixed assets and other long-term assets		(8,168,961,197)	(28,228,926,088)
22	2. Proceeds from disposal of fixed assets, construction and other long-term assets		-	-
23	3. Expenditures on loans and purchase of debt instruments from other entities		(36,776,211,091)	(3,414,975,615)
24	4. Proceeds from lending or repurchase of debt instruments from other entities		8,413,151,542	17,971,104,247
25	5. Expenditures on equity investments in other entities		-	-
26	6. Proceeds from equity investment in other entities		-	-
27	7. Proceeds from interest, dividends, and distributed profits		1,803,620,703	3,517,439,480
30	Net cash flows from investing activities		(34,728,400,043)	(10,155,357,976)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital		-	-
32	2. Repayment of contributions to owners, repurchase of stock issued		-	-
33	3. Proceeds from borrowing		-	-
34	4. Repayment of loan principal	VII.1	(6,637,115,907)	(8,294,800,257)
35	5. Repayment of financial lease debt principal		-	-
36	6. Dividends and profit paid to owners	V.21	(8,350,837,102)	(8,934,301,810)
40	Net cash flows from financing activities		(14,987,953,009)	(17,229,102,067)
50	Net cash flows during the fiscal year (50=20+30+40)		10,314,996,931	(5,556,075,235)
60	Cash and cash equivalents at beginning of the fiscal year		8,942,020,745	14,498,095,980
61	Effect of exchange rate fluctuations		-	-
70	Cash and cash equivalents at end of the fiscal year (70=50+60+61)		19,257,017,676	8,942,020,745

Preparer


PHAN NGOC LINH

Chief Accountant



LE THI LUU



General Director

LE THANH TY

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended as of December 31, 2024

These notes are an integral part of and should be read in conjunction with the audited Financial Statements for the fiscal year ended as of December 31, 2024.

I. NATURE OPERATIONS

1. Forms of ownership

Quang Tri Clean Water Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company that was equitized from Quang Tri Water Supply and Construction One Member Limited Liability Company under Decision No. 2435/QĐ-UBND dated November 5, 2015, issued by the People's Committee of Quang Tri Province. The Company operates in accordance with its first Business Registration Certificate No. 3200041908, issued on November 19, 2007, by the Department of Planning and Investment of Quang Tri Province, as well as the Enterprise Law, the Company Charter, and other relevant legal regulations. Since its establishment, the Company has amended its Business Registration Certificate three times, with the most recent amendment made on November 16, 2016.

The Company's shares have been registered and assigned a stock code at the Vietnam Securities Depository Center, as per Securities Registration Certificate No. 151/2016/GCNCP-VSD dated November 23, 2016. The Company's stock code is NQT.

2. Principal scope of business

The Company's principal scope of business is clean water supply.

3. Operating activities

The Company's business lines are:

- Water extraction, treatment, and supply;
- Design of civil and industrial structures, including water supply and drainage systems;
- Installation of water supply and drainage, heating, and air conditioning systems. Details: Installation of water supply and drainage systems;
- Technical inspection and analysis. Details: Inspection of cold water meters;

4. Normal production and business cycle

The Company's normal production and business cycle is not more than 12 months.

5. The Company's operations in year affect in the financial statements

This year, the Company has applied the retail price of clean water in accordance with Decision No. 36/2023/QĐ-UBND dated December 21, 2023, issued by the People's Committee of Quang Tri Province, regulating the retail price of clean water for domestic use in the province. As a result, revenue from clean water supply increased by 28%.

Additionally, starting from 2024, certain fixed assets have been depreciated using the accelerated depreciation method with a coefficient of 1.8 times, leading to an approximately 11% increase in the cost of goods sold compared to depreciation under the straight-line method.

Additionally, there were no other events related to the legal environment, market developments, business operations, management, finance, mergers, demergers, splits, or changes in scale that affected the Company's financial statements for the fiscal year ended December 31, 2024.

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statements (cont'd)

6. Company's Structure

The Company has affiliated units that do not have legal status and are dependent on accounting. General information about the affiliated units is as follows:

Unit name	Address
1. Dong Ha Clean Water Factory	Pho Lai Hamlet, Cam An Commune, Cam Lo District, Quang Tri Province
2. Trieu Hai Clean Water Factory	No. 11 Phan Boi Chau, Ward 1, Quang Tri Town, Quang Tri Province
3. Ben Hai Clean Water Factory	No. 263 Le Duan, Gio Linh Town, Gio Linh District, Quang Tri Province
4. Road 9 Clean Water Factory	Hamlet 3B, Khe Sanh Town, Huong Hoa District, Quang Tri Province
5. Construction and Installation Factory	Pho Lai Hamlet, Cam An Commune, Cam Lo District, Quang Tri Province
6. Meter Inspection and Loss Prevention Center	No. 02 Nguyen Trai, Dong Ha City, Quang Tri Province

7. Employees

As at December 31, 2024, the Company has 265 employees working (as at December 31, 2023 has 256 employees).

II. THE FISCAL YEAR, THE CURRENCY USED IN ACCOUNTING

1. The fiscal year

The Company's fiscal year is from 1 January to 31 December.

2. The currency used in accounting

The currency used in accounting and financial statements is Vietnam Dong (VND) because receipts and payments are mainly used in Vietnam Dong (VND).

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting standards and system

The Company applies the Accounting Standards and the Vietnamese Enterprise Accounting Regime issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC dated March 21, 2016 and circulars guiding the implementation of Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

2. Declaration of compliance with accounting standards and system

The Board of General Directors ensure compliance with the requirements of Vietnamese accounting standards and Vietnamese corporate accounting regime issued in accordance with Circular No. 200/2014/TT-BTC dated December 22, 2014, as well as circulars guiding the implementation of accounting standards of the Ministry of Finance related to the preparation and presentation of financial statements.

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Notes to the Financial Statements (cont'd)

IV. APPLICABLE ACCOUNTING POLICIES

1. Basis of preparing the financial statements

These financial statements were prepared on accrual basis (excluding information relating to cash flows).

The affiliated units have their own accounting organization and follow a dependent accounting system. The Company's financial statements are prepared based on the consolidation of the financial statements of its affiliated units. Internal transactions (revenues and expenses) and balances between affiliated units are eliminated during the preparation of the financial statements.

2. Cash and cash equivalents

Cash includes cash on hand, cash in bank, cash in transit, monetary gold.

Cash equivalents are short-term investments which are collectible or mature within 3 months at the date of purchase, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Financial Investments

Held-to-Maturity Investments

Held-to-maturity investments include term deposits (including various types of treasury bills and promissory notes), bonds, and preferred shares that the issuer is obligated to repurchase at a specified future date, as well as loans held to maturity for the purpose of earning periodic interest and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at historical cost, which includes the purchase price and transaction-related costs. After initial recognition, these investments are recorded at recoverable value. Any impairment losses are directly deducted from the carrying value of the investment. Specifically, when there is evidence indicating that an investment may not be recoverable, the following treatments apply:

- If the impairment loss can be reliably measured, the difference between the recoverable value and the carrying amount of the investment is recognized as a financial expense;
- If the impairment loss cannot be reliably measured, disclosures must be made in the financial statements regarding the recoverability of the investment, and no reduction in the investment's carrying amount is recorded.

4. Receivables

Receivables are presented at cost less provision for doubtful debts.

The classification of trade receivables and other receivables is presented following this principle:

- Trade receivables reflect commercial receivables arising from purchase-sale transactions between the Company and buyers who are independent entities of the Company.
- Other receivables reflect non-commercial receivables not related to purchase-sale transactions.

Provision for doubtful debts is established for each doubtful debt based on the age of the debt or the expected level of loss that may occur. For receivables that are not overdue for payment but are unlikely to be recovered: the provision is based on the expected level of loss.

Increasing, decreasing provision for doubtful debts need to be made at the ended day of the fiscal year are recorded as general administration expenses.

5. Inventories

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

The historical cost of inventories are determined as follows:

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- Raw materials, materials, goods: include buying costs and other directly related costs arising to have inventories at present area and state.
- Finished products: include direct raw materials costs, direct employee costs and general production costs shall be basis on normal operation level/land using right, direct costs related and general costs arising in the process building finished goods - property.
- The cost of work in progress: include direct raw materials costs, direct employee costs, costs of construction machinery and general production costs.

Net realizable value is the estimated selling price less the estimated costs of completion the products and the estimated costs needed for their consumption.

The value of inventory is measured using the weighted average method and inventory recording base on the perpetual inventory method.

Provision for decrease in value of inventories is made when the net realizable value of inventories is less than original cost. With the process services, provision for decrease is made by type of services with different price. The increase, decrease in balance of provision for decrease in value of inventories to be made at the year end are recorded in the cost of goods sold.

6. Prepaid expenses

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepaid expenses of the Company include:

Tools and instruments

Cost of tools and instruments being put into use are allocated in accordance with the straight-line method for a period of not more than 36 months.

Fixed asset repair expenses

One-time major repair expenses for fixed assets are allocated to expenses using the straight-line method over 36 months.

Other prepaid expenses

Based on the nature and magnitude of the expenses, the Company selects an appropriate allocation method and criteria within the period in which the expected economic benefits are generated.

7. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready for use state. The costs incurred after the initial recognition of tangible fixed assets shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of these assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the year.

When tangible fixed assets are sold or liquidated, their cost and accumulated depreciation are written off, and arisen gain/loss are recorded into the income or the expenses in the year.

Depreciating the cost of tangible fixed assets is calculated on straight-line method. Depreciation amount determined is based on historical cost and estimated useful-life of the assets. The time of depreciation is:

<u>Kind of assets</u>	<u>Depreciation years</u>
Buildings, Architectures	15 - 40
Machinery and equipment	6 - 15

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<u>Kind of assets</u>	<u>Depreciation years</u>
Means of transportation	8 - 30
Equipment and management tools	3 - 5

This year, certain tangible fixed assets, including machinery and equipment, transportation vehicles, transmission systems, and management tools and equipment, have been depreciated using the accelerated depreciation method with a coefficient of 1.8 times. This has resulted in an increase of approximately VND 8,845,138,348 in depreciation expenses compared to using last year's depreciation rate. The adjustment of the accelerated depreciation rate this year has affected prior-year fixed asset depreciation expenses, leading to modifications in some comparative figures in the financial statements. These adjustments have been made to align with the accounting estimates presented in Note VIII.4.

8. Intangible fixed assets

Intangible fixed assets are stated at initial cost less accumulated amortization.

The cost of tangible fixed assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready for use state. The costs related to intangible fixed assets arising after initial recognition are recognized as production and business expenses in the year unless these costs are associated with a specific intangible fixed asset, and increase economic benefits from these assets.

When intangible fixed assets are sold or liquidated, their cost and accumulated depreciation are written off, and arisen gain/loss are recorded into the income or the expenses in the year.

The Company's intangible fixed assets include:

Software Programs

Costs related to computer software programs that are not an integral part of the associated hardware are capitalized. The historical cost of software includes all expenses incurred by the Company up to the point of putting the software into use. Computer software is amortized using the straight-line method over a period of 3 to 10 years.

9. Construction in progress

Construction in progress reflects costs directly related (including related interest expenses in accordance with the Company's accounting policies) to assets under construction, machinery and equipment being installed for production, leasing and management purposes as well as costs related to repairs of fixed assets in progress. These assets are recorded at original cost and are not depreciated.

10. Liabilities

The Company's liabilities include trade payables and other payables.

Liabilities and accrued expenses are recognized for amounts to be paid in the future for goods and services received.

The classification of payables as trade payables and other payables is made according to the following principles:

- Trade payables reflect the commercial elements arising from purchasing transactions of goods, services, assets and the seller is an independent entity, include payables from import by a trustee.
- Other payables reflect the non-commercial elements, unrelated to selling - purchasing transactions, rendering of services.

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11. Liabilities to employees

Liabilities to employees include wages, salaries, bonuses, social insurance contributions, and other payments related to employee income.

12. Accrued expenses

Accrued expenses are recognized as future payments for goods and services already received, regardless of whether the Company has received an invoice from the supplier. The Company's primary accrued expenses include:

- Accrued interest expenses: Determined based on the agreed interest rate of each loan contract, loan term, and principal amount;
- Other accrued expenses: Recognized based on signed contracts and the actual incurred costs, even if the financial invoice has not yet been received.

13. Loans and Finance lease liabilities

Loans and finance lease liabilities are recorded at historical cost and classified as short-term or long-term liabilities in the financial statements.

The Company tracks loans and finance lease liabilities in detail by counterparty, loan agreements, original loan term, remaining loan term, and currency denomination. Foreign currency-denominated loans and finance lease liabilities are revalued at the selling exchange rate at the end of the period based on the rate provided by the commercial bank with which the Company regularly transacts.

Borrowing Costs

Borrowing costs include interest expenses and other costs directly related to the Company's borrowings. Borrowing costs are recognized as expenses in the period they are incurred unless they meet the capitalization criteria under the Accounting Standard on Borrowing Costs.

Borrowing costs related to specific borrowings used solely for investment, construction, or the formation of a particular asset are capitalized into the historical cost of that asset. For general borrowings, the amount eligible for capitalization in the financial year is determined based on the capitalization rate applied to the weighted average accumulated investment cost of the asset under construction or production.

Capitalization of borrowing costs is temporarily suspended during periods when the investment, construction, or production of the asset is interrupted, unless the interruption is necessary. Capitalization ends when the essential activities required to prepare the asset for its intended use or sale are completed.

14. Owner's equity

Contributed capital

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

Development investment fund

The development investment fund is appropriated from after-tax profits and is used for expanding business operations or making deep investments in the enterprise.

After-tax profit

After-tax profits are allocated to funds and distributed to shareholders in accordance with resolutions of the General Meeting of Shareholders.

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15. Profit distribution

Profits after corporate income taxes is distributed to the shareholders after building funds in accordance with the General Meeting of Shareholders .

The profit distribution is considered non-cash items included in undistributed earnings that may affect cash flows and ability to pay as interest due to revaluation of assets contributed as capital; revaluation of monetary items; revaluation of financial instruments and other non-monetary items.

Dividends are record as payables at the time of approval of the Shareholders' meeting.

16. Revenue and other income recognition

Revenue represents economic benefits received that increase the Company's equity, excluding additional shareholder contributions. Revenue is recognized at the time of the transaction, when it is probable that economic benefits will be received, and is measured at the fair value of the consideration received or receivable, regardless of whether cash has been collected.

Revenue from Clean Water Supply

Revenue from clean water supply is recognized when all of the following conditions are met:

- The Company has transferred the significant risks and rewards of ownership to the buyer.
- The Company no longer retains control over or managerial involvement in the goods as the owner.
- Revenue can be measured reliably.
- The Company has received or will receive economic benefits from the sale.
- The costs associated with the transaction can be reliably determined.

Revenue from Installation and Construction

When the outcome of a construction contract can be reliably estimated:

- For contracts with progress-based payments, revenue and expenses are recognized based on the stage of completion as determined by the Company at the financial year-end.
- For contracts with volume-based payments, revenue and expenses are recognized based on the completed work volume confirmed by the customer and recorded in the issued invoice.

Any adjustments to contract values, compensation claims, and other receivables are recognized as revenue only when they are agreed upon with the customer..

When the outcome of a construction contract cannot be reliably estimated:

- Revenue is recognized only to the extent of recoverable contract costs.
- Contract costs are recognized as expenses when incurred.

The difference between cumulative contract revenue recognized and progress-based payments invoiced is recorded as receivables or payables in line with contract progress.

Interest income

Interest income is recognized on an accrual basis, determined based on account balances and actual periodic interest rates.

Other income

Other income includes non-operating revenues and is recognized when it is reasonably certain and when economic benefits are likely to be received.

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17. Cost of goods sold

Cost of goods sold and corresponding revenue are recognized simultaneously under the matching principle.

Costs of direct raw materials, direct labor exceeding normal levels, and unallocated fixed production overheads are immediately recognized as cost of goods sold rather than included in product costs.

Cost reductions during the year include inventory write-back, returned goods, trade discounts, and rebates received after sales.

18. Financial expenses

Financial expenses include costs and losses related to financial activities, such as: Interest on loans, interest on deferred purchases, finance lease interest, payment discounts for buyers, losses from disposal or liquidation of investments, provisions for declines in securities value, provisions for investment losses in other entities, losses from foreign exchange transactions and exchange rate differences, other financial investment expenses.

19. Selling expenses and General administration expenses

Selling expenses and General administration expenses are all costs related to the process of selling products, goods, rendering of services and general administration expenses of the Company.

20. Corporate income tax

Corporate income tax during the year includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxed income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as adjustment of non-taxable incomes and losses brought forward.

Deferred corporate income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

21. Segment report

- A business segment is a distinct identifiable part that is engaged in the production or provision of products or services and has risks and returns that are different from those of other business segments.
- A geographical segment is a distinct identifiable part that is engaged in the production or provision of a product or service within a particular economic environment and that is subject to economic risks and rewards, different from segments of businesses in other economic environments.

22. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or where the Company and other party are subject to common control or significant influence.

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When considering the relationship of related parties, the nature of the relationship is much paid attention to rather than its legal form.

V. ADDITIONAL INFORMATION FOR ITEMS SHOWS IN THE BALANCE SHEET (Unit: dong)**1. Cash**

	<u>Closing balance</u>	<u>Opening balance</u>
Cash on hand	68,238,742	61,278,624
Cash at bank	19,188,778,934	8,880,742,121
Total	<u>19,257,017,676</u>	<u>8,942,020,745</u>

2. Short-term held to maturity investments

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Amount</u>	<u>Book value</u>	<u>Amount</u>	<u>Book value</u>
Term deposits from 6 to 12 months				
- Vietnam Bank for Agriculture and Rural Development - Quang Tri Branch	17,623,018,600	17,623,018,600	17,079,313,100	17,079,313,100
- BIDV Bank - Quang Tri Branch	20,520,415,217	20,520,415,217	20,192,429,766	20,192,429,766
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Quang Tri Branch	37,086,863,045	37,086,863,045	6,433,494,447	6,433,494,447
- Shinhan Bank Vietnam Limited - Hoan Kiem Branch	-	-	3,162,000,000	3,162,000,000
Total	<u>75,230,296,862</u>	<u>75,230,296,862</u>	<u>46,867,237,313</u>	<u>46,867,237,313</u>

3. Short-term trade receivables

	<u>Closing balance</u>	<u>Opening balance</u>
Receivables from customers being related parties	-	-
Receivables from other customers	16,253,834,610	14,198,283,787
Water debt	7,091,684,307	8,936,680,616
Dong Ha City Construction Investment Project Management	3,521,388,000	3,900,920,000
Quang Tri Rural Water Supply and Environmental Sanitation Center	3,283,274,000	-
Other entities	2,357,488,303	1,360,683,171
Total	<u>16,253,834,610</u>	<u>14,198,283,787</u>

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Notes to the Financial Statements (cont'd)**4. Short-term advances to suppliers**

	<u>Closing balance</u>	<u>Opening balance</u>
Advances to related parties	-	-
Advances to other suppliers	1,624,096,364	4,534,220,189
Sy An General Joint Stock Company	530,446,700	186,471,300
Quang Tri Center for Natural Resources and Environment	291,322,400	200,016,120
Payoo Community Online Service Joint Stock Company	258,673,689	1,125,414,055
Dong Nai Plastic Joint Stock Company	211,572,372	211,572,372
Other entities	332,081,203	2,810,746,342
Cộng	<u>1,624,096,364</u>	<u>4,534,220,189</u>

5. Short-term other receivables

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Amount</u>	<u>Allowance</u>	<u>Amount</u>	<u>Allowance</u>
Receivables from related parties	-	-	-	-
Receivables from other entities	962,592,703	-	752,837,040	-
Employee advances	223,481,448	-	118,329,225	-
Short-term deposit	33,659,393	-	131,550,000	-
Dong Ha Water Supply Development	174,801,419	-	174,801,419	-
Investment Project Management Board and Surrounding Areas				
Accrued interest	509,445,756	-	277,943,570	-
Other receivables	21,204,687	-	50,212,826	-
Total	<u>962,592,703</u>	<u>-</u>	<u>752,837,040</u>	<u>-</u>

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Notes to the Financial Statements (cont'd)**6. Bad debts**

	Closing balance			Opening balance		
	Overdue time	Historical cost	Recoverable value	Overdue time	Historical cost	Recoverable value
Receivables from customers						
UnHabitat Project Works	>3 years	76,048,000	-	>3 years	76,048,000	-
Hieu River Bridge and Roads at Both Ends of the Bridge (Section from Nguyen Chi Thanh to Hoang Thi Ai)	2-3 years	118,840,000	35,652,000	2-3 years	118,840,000	59,420,000
Others	>3 years	38,111,402	-	>3 years	48,202,000	-
Others	2-3 years	21,741,000	6,522,300	2-3 years	10,415,402	3,124,202
Others	1-2 years	-	-	1-2 years	44,741,000	22,370,500
Advances to suppliers						
Dong Nai Plastic Joint Stock Company	>3 years	211,572,372	-	>3 years	211,572,372	211,572,372
Other receivables						
Dong Ha Water Supply Development Investment Project Management Board and surrounding areas	>3 years	174,801,419	174,801,419	>3 years	174,801,419	174,801,419
Total		641,114,193	216,975,719		684,620,193	471,288,493

Changes in provision for doubtful debts:

	Current year	Previous year
Opening balance	213,331,700	463,607,360
Provisions made during the year	210,906,774	-
Reversal of provisions during the year	-	(250,275,660)
Closing balance	424,238,474	213,331,700

7. Inventories

	Closing balance		Opening balance	
	Amount	Allowance	Amount	Allowance
Raw materials	12,256,920,006	-	13,151,037,777	-
Tools, equipment	1,450,000	-	89,646,000	-
Work in progress	1,698,359,788	-	2,388,809,981	-
Total	13,956,729,794	-	15,629,493,758	-

Raw materials and supplies primarily consist of materials used in the water industry, such as cast iron pipes, plastic pipes, flanges, rubber gaskets, etc....

The company has no stagnant, defective, degraded, or unsalable inventory at December 31, 2024.

The company has no inventory for collateral, mortgaged to ensure the debt at December 31, 2024.

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Notes to the Financial Statements (cont'd)**8. Prepaid expenses****8.a. Short-term prepaid expenses**

	<u>Closing balance</u>	<u>Opening balance</u>
Tools and equipment costs	118,845,344	496,680,008
Fixed asset repair costs	6,161,436	89,352,752
Total	<u>125,006,780</u>	<u>586,032,760</u>

Changes in short-term prepaid expenses:

	<u>Current year</u>	<u>Previous year</u>
Opening balance	586,032,760	544,874,986
Making provision	576,489,443	1,220,348,022
Reversing provision	(1,037,515,423)	(1,179,190,248)
Closing balance	<u>125,006,780</u>	<u>586,032,760</u>

8.b. Long-term prepaid expenses

	<u>Closing balance</u>	<u>Opening balance</u>
Tools and equipment costs	2,425,764,469	1,848,205,053
Fixed asset repair costs	1,842,629,175	3,493,805,716
Other prepaid expenses	143,393,955	311,472,543
Total	<u>4,411,787,599</u>	<u>5,653,483,312</u>

Changes in long-term prepaid expenses:

	<u>Current year</u>	<u>Previous year</u>
Opening balance	5,653,483,312	1,600,639,269
Making provision	2,260,216,047	5,929,866,071
Reversing provision	(3,501,911,760)	(1,877,022,028)
Closing balance	<u>4,411,787,599</u>	<u>5,653,483,312</u>

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Notes to the Financial Statements (cont'd)**9. Tangible fixed assets**

	Buildings	Machinery & equipment	Transportation & transmitters	Office equipment	Total
Historical cost					
Opening balance	126,079,840,901	42,762,375,994	308,604,707,004	2,337,948,699	479,784,872,598
Increasing, in which:					
- Purchase	-	253,440,000	1,479,062,836	77,426,000	1,809,928,836
- Construction completed	266,095,189	1,681,379,909	2,953,089,071	-	4,900,564,169
Decreasing	-	-	-	-	-
Closing balance	126,345,936,090	44,697,195,903	313,036,858,911	2,415,374,699	486,495,365,603
Depreciation					
Opening balance	63,922,759,457	29,254,690,487	188,927,705,908	251,213,989	282,356,369,841
Depreciation	8,763,364,376	2,690,295,478	20,637,968,331	474,681,477	32,566,309,662
Liquidation, sale	-	-	-	-	-
Closing balance	72,686,123,833	31,944,985,965	209,565,674,239	725,895,466	314,922,679,503
Net book value					
Opening balance	62,157,081,444	13,507,685,507	119,677,001,096	2,086,734,710	197,428,502,757
Closing balance	53,659,812,257	12,752,209,938	103,471,184,672	1,689,479,233	171,572,686,100

- The original cost of fully depreciated tangible fixed assets still in use as of December 31, 2024 is VND 88,696,756,885.
- The remaining value of tangible fixed assets used as collateral for loans as of December 31, 2024 is VND 55,254,679,911. (Refer to Note No V.18)
- The Company has no tangible fixed assets awaiting liquidation as of December 31, 2024.

10. Intangible fixed assets

	Computer software	Total
Historical cost		
Opening balance	1,509,554,000	1,509,554,000
Increasing	-	-
Liquidation	-	-
Closing balance	1,509,554,000	1,509,554,000
Depreciation		
Opening balance	617,538,749	617,538,749
Depreciation	187,139,722	187,139,722
Liquidation	-	-
Closing balance	804,678,471	804,678,471
Net book value		
Opening balance	892,015,251	892,015,251
Closing balance	704,875,529	704,875,529

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- The original cost of fully depreciated intangible assets still in use as of December 31, 2024 is VND 531,000,000.
- The Company has no intangible assets used as collateral or pledge to secure loans as of December 31, 2024.
- The Company has no intangible assets awaiting liquidation as of December 31, 2024.

11. Construction in progress

	Opening balance	Increasing during the year	Transfer to tangible fixed assets	Transfer to other	Closing balance
Purchase of fixed assets	-	1,479,062,836	1,479,062,836	-	-
- 7-seat car	-	1,479,062,836	1,479,062,836	-	-
Basic construction in progress	348,848,987	9,742,880,078	4,900,564,169	875,306,335	4,315,858,561
- Completed connection project for customers in Hai Hung - Hai Quy communes	-	1,059,260,377	-	-	1,059,260,377
- Investment project to upgrade Hai Lang water plant from 3,200 to 7,500M3/day	-	857,293,607	-	-	857,293,607
- Investment project to build a clean water pipeline for 8 communes in the Northeast of Trieu Phong; Complete the water supply network and connect customers in 02 communes of Trieu An and Trieu Thanh	-	538,168,333	-	-	538,168,333
- Other projects	348,848,987	7,288,157,761	4,900,564,169	875,306,335	1,861,136,244
Asset repair costs	-	1,078,780,732	-	1,078,780,732	-
Total	348,848,987	12,300,723,646	6,379,627,005	1,954,087,067	4,315,858,561

12. Short-term trade payables

	Closing balance	Opening balance
Trade payables to related parties	-	-
Trade payables to other entities	8,293,267,241	12,434,093,956
HCL Investment and Production Joint Stock Company	3,353,699,506	-
Asia Trading and Technology Transfer Company Limited	2,065,554,828	773,564,177
Other entities	2,874,012,907	11,660,529,779
Total	8,293,267,241	12,434,093,956

In which, the unpaid overdue debt is VND 0.

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*Notes to the Financial Statements (cont'd)***13. Short-term advances from customers**

	<u>Closing balance</u>	<u>Opening balance</u>
Advances from related parties	-	-
Advances from other customers	1,269,103,410	4,362,707,500
Quang Tri Provincial Department of Transport Project Management Board	362,521,000	362,521,000
Cam Thuy Commune People's Committee	175,000,000	-
Other entities	731,582,410	4,000,186,500
Total	<u>1,269,103,410</u>	<u>4,362,707,500</u>

14. Tax payable/receivable to Government

	<u>Opening balance</u>		<u>Amounts during the year</u>		<u>Closing balance</u>	
	<u>Payables</u>	<u>Receivables</u>	<u>Payable amounts</u>	<u>Paid amounts</u>	<u>Payables</u>	<u>Receivables</u>
Value added tax	-	15,115,248	2,727,677,543	2,309,491,082	403,071,213	-
Corporate income tax	414,490,434	-	5,139,894,149	3,926,887,201	1,627,497,382	-
Personal income tax	1,298,550	-	439,641,081	425,995,882	14,943,749	-
Resource Tax	80,652,310	-	671,130,910	726,386,480	25,396,740	-
Environmental Protection Fee	939,755,228	-	14,125,882,700	14,063,092,451	1,002,545,477	-
Fees, Charges and Other Payments	204,435,919	-	1,052,563,129	1,063,805,538	193,193,510	-
Total	<u>1,640,632,441</u>	<u>15,115,248</u>	<u>24,156,789,512</u>	<u>22,515,658,634</u>	<u>3,266,648,071</u>	<u>-</u>

Value added tax

The Company pays value-added tax using the deduction method.

The value added tax rate applicable to clean water supply activities is 5%.

Other activities are subject to tax rates according to current regulations.

Corporate income tax

The company must pay corporate income tax on taxable income at a rate of 20%.

Corporate income tax (CIT) payable during year is determined as follows:

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	<u>Current year</u>	<u>Previous year</u>
Total accounting profits before CIT	24,979,659,043	20,238,062,711
Adjustments to increase or decrease accounting profit to determine profit subject to corporate income tax:	3,081,277,665	145,112,707
- Increasing adjustment	3,081,277,665	232,513,417
+ Provision for Science and Technology Development Fund	2,500,000,000	-
+ Remaining salary expenses of the previous year that have not been fully spent before March 31 of this year	346,631,504	-
+ Other invalid costs	234,646,161	232,513,417
- Decreasing adjustment	-	(87,400,710)
+ Other adjustments	-	(87,400,710)
Total assessable income	<u>28,060,936,708</u>	<u>20,383,175,418</u>
Tax-free income	-	2,810,723,242
Taxable income	<u>28,060,936,708</u>	<u>17,572,452,176</u>
Provision for Science and Technology Development Fund	2,500,000,000	-
Corporate income tax rate		
Corporate income tax payable at the general tax rate	5,112,187,345	3,514,490,435
Adjustment of corporate income tax of previous years to current income tax expense of this year	27,706,804	17,480,142
Total current corporate income tax expense	<u>5,139,894,149</u>	<u>3,531,970,577</u>

Other taxes

The Company has declared and paid under regulations.

15. Payables to employees

	<u>Closing balance</u>	<u>Opening balance</u>
Salary payable	18,223,937,050	12,704,306,840
Total	<u>18,223,937,050</u>	<u>12,704,306,840</u>

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Notes to the Financial Statements (cont'd)**16. Short-term accrued expenses**

	<u>Closing balance</u>	<u>Opening balance</u>
Accrued expenses are related parties	-	-
Accrued expenses are other entities	1,720,304,077	1,721,307,383
Interest expense	627,193,818	767,028,125
Meal expense	198,792,354	166,833,696
Electricity expense	762,817,905	777,827,662
Other accrued expenses	131,500,000	9,617,900
Total	<u>1,720,304,077</u>	<u>1,721,307,383</u>

17. Other short-term payables

	<u>Closing balance</u>	<u>Opening balance</u>
Other payables to related parties	-	-
Other payables to other entities	9,329,076,915	5,975,422,989
Union and Social Insurance Funds	196,624,707	587,703,629
Received deposits, deposits	973,725,372	628,079,182
Other payables for compensation and support for site clearance	3,255,426,000	-
Un-Habitat Project Revolving Fund	4,649,000,000	4,649,000,000
Other payables	254,300,836	110,640,178
Total	<u>9,329,076,915</u>	<u>5,975,422,989</u>

18. Borrowings and finance lease liabilities**18a. Short-term**

	<u>Opening balance</u>	<u>Loans incurred during the year</u>	<u>Loans repaid during the year</u>	<u>Transfer from long-term loans</u>	<u>Closing balance</u>
Short-term loans	-	-	-	-	-
Long-term loans due for payment	6,637,115,907	-	6,637,115,907	9,385,980,634	9,385,980,634
- Asian Development Bank	5,545,935,530	-	5,545,935,530	5,545,935,530	5,545,935,530
- Shinhan Bank Vietnam Limited	1,091,180,377	-	1,091,180,377	3,840,045,104	3,840,045,104
Total	<u>6,637,115,907</u>	<u>-</u>	<u>6,637,115,907</u>	<u>9,385,980,634</u>	<u>9,385,980,634</u>

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Notes to the Financial Statements (cont'd)**18b. Long-term**

	Opening balance	Loans incurred during the year	Loans repaid during the year	Transfer from short-term loans	Closing balance
Long-term loans	32,319,180,229	-	-	9,385,980,634	22,933,199,595
- Asian Development Bank	8,318,898,333	-	-	5,545,935,530	2,772,962,803
- Shinhan Bank Vietnam Limited	24,000,281,896	-	-	3,840,045,104	20,160,236,792
Total	32,319,180,229	-	-	9,385,980,634	22,933,199,595

(1) The loan was obtained from the Asian Development Bank (ADB) under Loan Agreement No. 1514 VIE (SF), signed on June 10, 1997, between the Socialist Republic of Vietnam and the Asian Development Bank, to finance the Second Project for the Upgrading and Rehabilitation of Water Supply and Sanitation Systems in Cities and Towns. According to the Subsidiary Loan Agreement signed on August 28, 1997, and the amended annex dated April 28, 2008, the total loan amount is VND 83,189,032,943. The repayment is made to the Ministry of Finance according to the detailed schedule attached to the amended annex. The loan interest rate: 5% per year, the loan term is 20 years from the first repayment date

(2) The loan was obtained from Shinhan Bank Vietnam Co., Ltd – Pham Hung Branch under Credit Agreement No. SHBHNC/HDTD/790500020588, dated October 13, 2022. Purpose of the loan: To invest in the project “Renovation and Upgrade of Tan Luong Water Plant, increasing its capacity from 15,000 m³/day-night to 28,000 m³/day-night.” Maximum loan amount: VND 30,000,000,000, Loan term: 8 years, Interest rate: Fixed at 7.9% per year for the first 3 years from the first disbursement date. After the fixed interest rate period, the adjusted interest rate will apply to each loan disbursement, calculated as follows: The average of the 12-month term deposit interest rates for individual customers at Vietcombank, Vietinbank, BIDV, and Agribank + 1.5% per year, adjusted every 3 months until the end of the loan term. Collateral: The entire assets formed from the project, including water tanks, machinery, equipment, materials, and supporting infrastructure, with a minimum value of VND 73,934,000,000. (Refer Note V.9.)

19. Bonus and welfare funds

	Opening balance	Increasing	Fund expenditure during the year	Closing balance
Bonus Fund	1,176,011,310	1,640,899,861	(161,100,000)	2,655,811,171
Welfare Fund	2,170,189,842	1,689,705,117	(300,198,000)	3,559,696,959
Board of Management and Executive Board Bonus Fund	169,147,500	84,485,256	-	253,632,756
Total	3,515,348,652	3,415,090,234	(461,298,000)	6,469,140,886

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*Notes to the Financial Statements (cont'd)***20. The development of science and technology fund**

	Science and Technology Development Fund	Science and Technology Development Fund has formed fixed assets	Total
Opening balance	938,637,550	1,538,723,853	2,477,361,403
Allocation for fund	2,500,000,000	-	2,500,000,000
Purchasing fixed assets	-	-	-
Depreciation of fixed assets	-	289,817,568	289,817,568
Closing balance	3,438,637,550	1,248,906,285	4,687,543,835

21. Owner's equity**a. Statements of changes in owner's equity**

	Contributed capital	Development investment fund	Undistributed profit after tax	Total
Balance as at 01/01/2023	182,332,690,000	10,747,840,900	14,944,042,608	208,024,573,508
Increase during the year	-	-	16,706,092,134	16,706,092,134
Allocation for fund:	-	4,480,319,000	(5,973,758,000)	(1,493,439,000)
- <i>Development investment fund</i>	-	4,480,319,000	(4,480,319,000)	-
- <i>Bonus and welfare fund</i>	-	-	(1,456,103,000)	(1,456,103,000)
- <i>Executive board bonus fund</i>	-	-	(37,336,000)	(37,336,000)
Dividends to shareholders	-	-	(8,934,301,810)	(8,934,301,810)
Balance as at 31/12/2023	182,332,690,000	15,228,159,900	16,742,074,932	214,302,924,832
Balance as at 01/01/2024	182,332,690,000	15,228,159,900	16,742,074,932	214,302,924,832
Increase during the year	-	-	19,839,764,894	19,839,764,894
Allocation for fund:	-	5,011,827,640	(8,391,237,874)	(3,379,410,234)
- <i>Development investment fund</i>	-	5,011,827,640	(5,011,827,640)	-
- <i>Bonus and welfare fund</i>	-	-	(3,294,924,978)	(3,294,924,978)
- <i>Executive board bonus fund</i>	-	-	(84,485,256)	(84,485,256)
Dividends to shareholders	-	-	(8,350,837,102)	(8,350,837,102)
Balance as at 31/12/2024	182,332,690,000	20,239,987,540	19,839,764,850	222,412,442,390

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*Notes to the Financial Statements (cont'd)***b. Details of investment capital**

	Closing balance		Opening balance	
	Ratio (%)	Capital contribution	Ratio (%)	Capital contribution
Quang Tri Provincial People's Committee	51,00%	92,989,670,000	51,00%	92,989,670,000
Mr. Ngo Ngoc Tung	24,05%	43,860,000,000	24,05%	43,860,000,000
Capital contribution of other shareholders	24,95%	45,483,020,000	24,95%	45,483,020,000
Total	100,00%	182,332,690,000	100,00%	182,332,690,000

c. Capital transactions with owners and dividend, profit distribution

	Current year	Previous year
- Contributed capital		
+ Opening balance	182,332,690,000	182,332,690,000
+ Increasing in the year	-	-
+ Decreasing in the year	-	-
+ Closing balance	182,332,690,000	182,332,690,000
- Distributed dividend	8,350,837,102	8,934,301,810

d. Shares

	Closing balance	Opening balance
The number of shares subscribed to issue	18,233,269	18,233,269
The number of shares issued	18,233,269	18,233,269
- Ordinary shares	18,233,269	18,233,269
- Preference shares	-	-
The number of treasury shares	-	-
- Ordinary shares	-	-
- Preference shares	-	-
The number of shares circulated	18,233,269	18,233,269
- Ordinary shares	18,233,269	18,233,269
- Preference shares	-	-
Par values shares circulated (VND/share)	10,000	10,000

e. Profit distribution

The profit distribution for 2023 is carried out in accordance with Resolution No. 01/NQ-ĐHĐCĐ dated May 28, 2024, of the General Meeting of Shareholders of Quang Tri Clean Water Joint Stock Company. Accordingly, the after-tax profit for 2023 is allocated as follows: 30% to the investment and development fund, 10% to the reward and welfare fund and the executive bonus fund, and VND 8,350,837,102 is distributed as dividends to shareholders.

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 Notes to the Financial Statements (cont'd)

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT (unit: dong)

1. Revenues from sales and services rendered

1a. Total revenue

	<u>Current year</u>	<u>Previous year</u>
Revenue from clean water supply activities	160,788,774,161	125,367,762,476
Revenue from construction and installation activities	23,985,174,169	13,318,434,825
Revenue from other activities	1,672,698,882	1,303,737,871
Total	<u>186,446,647,212</u>	<u>139,989,935,172</u>

1b. Revenue from sales and services rendered with related parties includes

During the year, the Company did not have any sales or service transactions with related parties.

2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Cost of water supply activities	98,346,624,449	78,840,177,618
Cost of construction and installation activities	21,293,295,756	11,596,150,107
Cost of other activities	1,625,045,857	1,293,597,082
Total	<u>121,264,966,062</u>	<u>91,729,924,807</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Interest on deposits and loans	2,035,122,889	2,907,777,058
Total	<u>2,035,122,889</u>	<u>2,907,777,058</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Interest expense	3,244,925,480	3,151,820,986
Total	<u>3,244,925,480</u>	<u>3,151,820,986</u>

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Notes to the Financial Statements (cont'd)**5. Selling expenses**

	<u>Current year</u>	<u>Previous year</u>
Employee expenses	12,404,901,177	8,594,641,429
Materials, packaging, tools	5,928,444,542	4,004,313,190
Fixed asset depreciation	10,705,332	10,705,332
Outsourced service expenses	1,222,258,686	142,279,917
Other cash expenses	1,232,358,116	3,706,116,703
Total	<u>20,798,667,853</u>	<u>16,458,056,571</u>

6. General administration expenses

	<u>Current year</u>	<u>Previous year</u>
Management staff costs	7,707,681,408	7,517,425,552
Office materials and supplies costs	1,412,373,146	304,346,059
Fixed asset depreciation costs	880,539,223	359,661,926
Provision for doubtful debts	210,806,774	(250,275,660)
Outsourcing service costs	460,645,578	1,396,717,052
Other cash costs	5,033,008,439	4,997,289,992
Science and technology development fund provision	2,500,000,000	-
Total	<u>18,205,054,568</u>	<u>14,325,164,921</u>

7. Other income

	<u>Current year</u>	<u>Previous year</u>
Fines for breach of water consumption contracts	112,732,585	370,468,744
Revenue from compensation and support	1,475,607,407	810,876,815
Debt settlement	4,565,426	2,810,723,242
Other income	40,883,453	809,061,888
Total	<u>1,633,788,871</u>	<u>4,801,130,689</u>

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Notes to the Financial Statements (cont'd)**8. Other expenses**

	<u>Current year</u>	<u>Previous year</u>
Administrative fines, late payment fees	199,673,561	6,399,554
Fixed asset liquidation costs	-	987,279,625
Compensation and support costs	1,284,475,934	360,134,314
Other expenses	138,136,471	441,999,430
Total	<u>1,622,285,966</u>	<u>1,795,812,923</u>

9. Basic earnings per share

	<u>Current year</u>	<u>Previous year</u>
- Profit after corporate income tax	19,839,764,894	16,706,092,134
- Adjustment to profits to determine distributed profit for shareholder owns common shares:	(3,967,952,979)	(3,379,410,234)
+ Deduction from reward and welfare fund (*)	(3,967,952,979)	(3,379,410,234)
- Profit or loss distributed to shareholder owns common shares	15,871,811,915	13,326,681,900
- The number of common shares circulated (shares)	18,233,269	18,233,269
Basic earnings per Share (VND /share)	<u>870</u>	<u>731</u>

(*) According to Resolution No. 01/NQ-ĐHĐCĐ of the 2024 General Meeting of Shareholders dated May 28, 2024, the Company plans to allocate 10% of after-tax profit to the reward and welfare fund. The restated basic earnings per share for the previous year is VND 731 per share due to changes in the allocation of the reward and welfare fund in accordance with the 2024 General Meeting of Shareholders' Resolution. The figure in the previous year's financial statements was VND 842 per share.

Average outstanding common shares during the year:

	<u>Current year</u>	<u>Previous year</u>
Outstanding common shares at the beginning of the year	18,233,269	18,233,269
Impact of repurchased common shares	-	-
Impact of issued common shares	-	-
Average outstanding common shares during the year	<u>18,233,269</u>	<u>18,233,269</u>

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*Notes to the Financial Statements (cont'd)***10. Diluted earnings per share**

	Current year	Previous year
- Profit distributed to sharehold owns common shares used to calculate earnings per share	15,871,811,915	13,326,681,900
Adjustment to profits:		
+ After-tax effect of convertible bond interest	-	-
+ Dividends on convertible preferred stock	-	-
- Profit to calculate diluted earnings per share	15,871,811,915	13,326,681,900
The number of common shares used to calculate diluted earnings per share	18,233,269	18,233,269
Diluted earnings per Share (VND/share)	870	731

11. Operating expenses according to elements

	Current year	Previous year
Cost of fuel, materials	43,565,709,289	30,287,855,381
Employees cost	62,127,755,287	49,030,248,933
Fixed asset depreciation	32,463,631,816	21,473,811,344
Costs of outsourced services	5,787,499,936	8,312,300,914
Other expenses in cash	12,922,835,188	13,134,577,849
Total	156,867,431,516	122,238,794,421

VII. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CASH FLOW STATEMENT (Unit: dong)**1. Repayment of loan principal**

	Current year	Previous year
Payments for loans under conventional contracts	6,637,115,907	8,294,800,257
Total	6,637,115,907	8,294,800,257

VIII. OTHER INFORMATION**1. Transactions and balance with related parties**

The Company's related parties include key management personnel, individuals related to key management personnel, and other related entities.

1a. Transactions and balance with key management members and related individuals with key management members

Key management personnel include members of the Board of Directors, the Executive Board, and the Supervisory Board. Individuals related to key management personnel are their close family members.

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Notes to the Financial Statements (cont'd)*Income of key management members*

No.	Executive Board members	Position	Current year		
			Salary, bonus	Dividend	Total
1	Dao Ba Hieu	Chairman	522,497,062	4,259,400	526,756,462
2	Ngo Ngoc Tung	Vice Chairman	476,561,289	2,008,788,000	2,485,349,289
3	Le Thanh Ty	Director, Member of the BOM	458,703,577	3,068,600	461,772,177
4	Nguyen Ha Hai	Director, Member of the BOM	369,849,484	-	369,849,484
5	Le Van Tu	Deputy Director, Member of the BOM	389,403,959	4,167,800	393,571,759
6	Tran Van Hoi	Deputy Director, Member of the BOM	442,842,329	3,251,800	446,094,129
8	Le Thi Luu	Chief Accountant	406,026,820	2,748,000	408,774,820
9	Pham Hong Tuan	Head of the Supervisory Board	410,204,757	-	410,204,757
	Total		3,476,089,277	2,026,283,600	5,502,372,877

No.	Executive Board members	Position	Previous year		
			Salary, bonus	Dividend	Total
1	Dao Ba Hieu	Chairman of the Board	517,779,590	4,557,000	522,336,590
2	Ngo Ngoc Tung	Vice Chairman of the Board	476,932,462	980,000,000	1,456,932,462
3	Nguyen Ha Hai	Director, Member of the Board	465,020,163	-	465,020,163
4	Le Van Tu	Deputy Director, Member of the BOM	421,794,737	4,459,000	426,253,737
5	Tran Van Hoi	Deputy Director, Member of the BOM	443,152,445	3,479,000	446,631,445
6	Le Thanh Ty	Deputy Director	448,230,648	3,283,000	451,513,648
7	Le Thi Luu	Chief Accountant	395,540,724	2,940,000	398,480,724
8	Pham Hong Tuan	Head of the Supervisory Board	293,093,345	-	293,093,345
	Total		3,461,544,114	998,718,000	4,460,262,114

1b. Transactions with other related parties

During the year, the Company did not have any transactions or balances with other related parties.

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Notes to the Financial Statements (cont'd)**2. Segment report**

- *Presenting segment report in accordance with business field*

During the year, the Company's main business activities included the production and supply of clean water, construction, installation, and other activities.

	Provide clean water	Construction, installation	Others	Exclusions	Total
Current year					
Net revenues from sales and services rendered to external	160,788,774,161	23,985,174,169	1,672,698,882	-	186,446,647,212
Net revenues from sales and services rendered between segments	-	-	-	-	-
Net revenues from sales and services rendered	160,788,774,161	23,985,174,169	1,672,698,882	-	186,446,647,212
Cost of goods sold	98,346,624,449	21,293,295,756	1,625,045,857	-	121,264,966,062
Segmental gross profit	62,442,149,712	2,691,878,413	47,653,025	-	65,181,681,150
Previous year					
Net revenues from sales and services rendered to external customers	125,367,762,476	13,318,434,825	1,303,737,871	-	139,989,935,172
Net revenues from sales and services rendered between segments	-	-	-	-	-
Net revenues from sales and services rendered	125,367,762,476	13,318,434,825	1,303,737,871	-	139,989,935,172
Cost of goods sold	78,840,177,618	11,596,150,107	1,293,597,082	-	91,729,924,807
Segmental gross profit	46,527,584,858	1,722,284,718	10,140,789	-	48,260,010,365

- *Presenting segment report in accordance with geographical area*

During the year, all activities of the Company are happened in Viet Nam.

3. Retrospective Adjustments

The financial statements for the fiscal year ended December 31, 2023, were audited by a different audit firm. Certain items in the 2023 Statement of Profit or Loss have been restated to comply with the current Vietnamese Accounting Standards (VAS), specifically:

Items	Code	Audited figures of the previous year	Restated figures of the previous year	Different	Note
Revenues from sales and services rendered	11	138,827,735,670	139,989,935,172	1,162,199,502	(1)
Costs of goods sold	20	90,572,469,907	91,729,924,807	1,157,454,900	(2)
Other income	26	5,963,330,191	4,801,130,689	(1,162,199,502)	(1)
Other expenses	30	2,953,267,823	1,795,812,923	(1,157,454,900)	(2)

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statements (cont'd)

- (1) The revenue from sales of goods and provision of services item increased by VND 1,162,199,502, while the other income item decreased by the same amount, due to the reclassification of retained environmental protection fees.
- (2) The cost of goods sold item increased by VND 1,157,454,900, while the other expenses item decreased by the same amount, due to the reclassification of expenses related to the retained environmental protection fees.

4. Changes in Accounting Estimates

During the year, the Company's Board of Directors revised the accelerated depreciation rate for certain tangible fixed assets (Refer to Note IV.9). The Board of Directors believes that the new depreciation rate more appropriately reflects the efficiency of the Company's fixed asset utilization. Applying this accelerated depreciation rate resulted in an increase of VND 8,845,138,348 in current-year depreciation expenses compared to using last year's depreciation rate. This change also impacted prior-year depreciation expenses had the same accelerated depreciation rate been applied last year, prior-year depreciation expenses would have increased by VND 8,842,085,837, leading to adjustments in certain comparative figures to align with accounting estimates.

In accordance with Accounting Standard No. 29 – Changes in Accounting Policies, Accounting Estimates, and Errors, the change in depreciation estimates has impacted certain figures in the prior year's financial statements. If last year's depreciation had been estimated using the same accelerated rate as this year, the impact would be as follows:

Income Statement:

No.	ARTICLE	Code	Previous year	Adjustment	Previous year figures (if accelerated depreciation)	Current year
1	Costs of goods sold	11	91,729,924,807	8,773,762,464	100,503,687,271	121,264,966,062
2	Gross revenues from sales & services rendered	20	48,260,010,365	(8,773,762,464)	39,486,247,901	65,181,681,150
3	General administration expenses	26	14,325,164,921	68,323,373	14,393,488,294	14,325,164,921
4	Net profits from operating activities	30	17,232,744,945	(8,842,085,837)	8,390,659,108	24,968,156,138
5	Total net profit before tax	50	20,238,062,711	(8,842,085,837)	11,395,976,874	24,979,659,043
6	Profits after corporate income tax	60	16,706,092,134	(8,842,085,837)	7,864,006,297	19,839,764,894
7	Basic earnings per Share	70	731	(485)	246	870
8	Diluted Earnings per Share	71	731	(485)	246	870

Balance Sheet:

No.	ARTICLE	Code	Beginning of year figures (as of 31/12/2023)	Adjustment	Beginning of year figures (as of 31/12/2023) if accelerated depreciation	Correct errors
1	Tangible fixed assets	221	197,428,502,757	(8,842,085,837)	188,586,416,920	-
-	- Historical costs	222	479,784,872,598	-	479,784,872,598	-
-	- Accumulated depreciation	223	(282,356,369,841)	(8,842,085,837)	(291,198,455,678)	-
2	Undistributed profit after tax	421	16,742,074,932	(8,842,085,837)	7,899,989,095	-
-	- Undistributed profit after tax brought forward	421a	-	-	-	-
-	- Undistributed profit after tax for the current year	421b	16,742,074,932	(8,842,085,837)	7,899,989,095	-

QUANG TRI CLEAN WATER JOINT STOCK COMPANY

No. 02 Nguyen Trai, Ward 1, Dong Ha City, Quang Tri Province, Vietnam

FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Notes to the Financial Statements (cont'd)

5. Going concern assumption

There are no factors that cast doubt on the Company's ability to continue as a going concern and the measures and commitments to ensure the Company's future operations.

6. Subsequent events

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be presented in the financial statements.

Preparer

PHAN NGOC LINH

Chief Accountant

LE THI LUU

Quang Tri, March 15, 2025

General Director



LE THANH TY



No: 169/GT-NSQT

Quang Tri, 17/03/ 2025

EXPLANATION

“Post-tax profit in 2024 increased by more than 10% compared to 2023”

To: Hanoi Stock Exchange

Based on the financial reports for the years 2024 and 2023.

The figures in the financial report of Quang Tri Clean Water Joint Stock Company show a fluctuation in after-tax profit between the two years.

Specific figures are as follows:

Post-tax profit in 2023:	16,706,092,134 VND
Post-tax profit in 2024:	19,839,764,894 VND

The company would like to explain as follows:

In 2024, the company adjusted the water selling price in Quang Tri province according to Decision No. 36/2023/QĐ-UBND dated December 21, 2023, by the People's Committee of Quang Tri province.

Revenue from water production in 2024: 160,788,774,166 VND, an increase of 28% compared to water production revenue in 2023: 125,367,762,476 VND.

Due to the increase in water production revenue, the company implemented technological innovations to save on material costs such as electricity, chemicals, and other materials, leading to an 18.7% increase in post-tax profit in 2024 compared to 2023.

This is the explanation regarding the post-tax profit increase of more than 10% in 2024 compared to 2023 by Quang Tri Clean Water Joint Stock Company, submitted to the Hanoi Stock Exchange.

Sincerely!

Recipients:

- As above;
- Archive: Accounting Department



Le Thanh Ty