

No.: 105 / NQB-CBTT

Quang Binh, March 7, 2025

**PERIODIC INFORMATION DISCLOSURE
AUDITED FINANCIAL STATEMENTS 2024**

- To: - State Securities Commission
- Hanoi Stock Exchange
- Esteemed Shareholders of NQB

In compliance with Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance guiding information disclosure in the securities market, Quang Binh Water Supply Joint Stock Company hereby discloses the Audited financial statements (AFS) for 2024, to the State Securities Commission and the Hanoi Stock Exchange as follows:

1. Organization Name: Quang Binh Water Supply Joint Stock Company

- Stock Code: NQB
- Address: 81 Ly Thuong Kiet Street, Dong Hai Ward, Dong Hoi City, Quang Binh Province
- Contact Phone: 02323822354
- Email: capnuocqb@gmail.com
- Website: capnuocquangbinh.vn
- Audited Financial Statements 2024.

Separate FR (for companies without subsidiaries and with subordinate accounting units);

Consolidated FR (for companies with subsidiaries);

Combined FR (for companies with subordinate accounting units having their own accounting systems).

- Cases requiring explanation of reasons:

+ The auditing organization issues an opinion other than a full acceptance of the FR (for audited FR of 2024):

Yes

No

Explanation document, if applicable:

Yes

No

+ Post-tax profit in the reporting period has a variance of 5% or more between pre- and post-audit figures, or switches from loss to profit (for Reviewed 2024 Financial Statements):



Yes

No

Explanation document, if applicable:

Yes

No

+ Post-tax profit in the income statement of the reporting period changes by 10% or more compared to the same period of the previous year:

Yes

No

Explanation document, if applicable:

Yes

No

+ Post-tax profit in the reporting period shows a loss, changing from a profit in the same period of the previous year or vice versa:

Yes

No

Explanation document, if applicable:

Yes

No

This information was published on the company's official website on March 7, 2025, at the link: capnuocquangbinh.vn.

We commit that the information disclosed above is truthful and accept full legal responsibility for its contents.

**CHAIRMAN OF THE BOARD
LEGAL REPRESENTATIVE**

(Signed, full name, position, and seal)

Attachments:

- Reviewed 2024 financial Statement.
- Explanation Report.



(Handwritten signature in blue ink)

Lê Anh Dũng



CÔNG TY TNHH KIỂM TOÁN QUỐC TẾ International Auditing Company Limited

QUANG BINH WATER SUPPLY JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



Thành viên sáng AGN International
Kiểm toán Thuế Tư vấn

A member firm of AGN International
Audit | Tax | Advisory

TABLE OF CONTENTS

	<u>PAGES</u>
STATEMENT OF CHAIRMAN OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT	2 - 3
INDEPENDENT AUDITORS' REPORT	4
BALANCE SHEET	5 - 6
INCOME STATEMENT	7
CASH FLOW STATEMENT	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 28

712
IG
NH
MT
JC
YA

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

The Chairman of the Board of Directors and the Board of Management of Quang Binh Water Supply Joint Stock Company (the "Company") present this report together with the Company's financial statements for the year ended 31 December 2024.

THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION

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

Board of Directors

Mr. Le Anh Dung	Chairman
Mr. Nguyen Van Dung	Permanent member
Mr. Le Minh Chuong	Member
Mr. Mai Song Hao	Member
Mr. Tran Tan Duc	Member

Board of Management

Mr. Nguyen Van Dung	Director
Mr. Le Van Nghia	Deputy Director
Mr. Tran Van Tien	Deputy Director

Board of Supervision

Mr. Nguyen Duc Vu	Supervisor
Mr. Tran Van Ban	Member
Mr. Trinh Dinh Tung	Member

Legal Representative

The legal representative of the Company from 01 January 2024 to the date of this report is Mr. Le Anh Dung - Chairman of the Board of Directors.

RESPONSIBILITY OF CHAIRMAN OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The Chairman of The Board of Directors and Board of Management of the Company are responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Chairman of the Board of Directors and the Board of Management are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

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

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

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

For and on behalf of the Board of Directors and the Board of Management,



Le Anh Dung
Chairman of the Board
6 March 2025

No: 030601/2025/BCKT-iCPA

INDEPENDENT AUDITORS' REPORT

**To: Shareholders
The Board of Directors and the Board of Management
Quang Binh Water Supply Joint Stock Company**

We have audited the accompanying financial statements of Quang Binh Water Supply Joint Stock Company (the "Company"), prepared on 6 March 2025, as set out from page 5 to page 28, which comprise the balance sheet as at 31 December 2024, the statement of income, the statement of cash flows for the year then ended, Notes to the financial statements.

Responsibility of Chairman of The Board of Directors and the Board of Management

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

Auditors' Responsibility

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

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

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

Opinion

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



Nguyen Thi Thanh Hoa
Deputy General Director
Audit Practising Registration Certificate
No. 1402-2023-072-1
6 March 2025

Kieu Manh Long
Auditor
Audit Practising Registration Certificate
No. 5727-2023-072-1

BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		42,261,646,335	38,775,994,064
I. Cash and cash equivalents	110		22,277,273,484	20,691,478,937
1. Cash	111	V.1	22,277,273,484	20,691,478,937
II. Short-term receivables	130		7,438,808,218	8,436,980,339
1. Short-term trade receivables	131	V.2	7,059,541,172	8,413,788,102
2. Short-term advances to suppliers	132	V.3	512,733,767	213,033,199
3. Other short-term receivables	136		7,550,000	7,550,000
4. Provision for short-term doubtful debts	137	V.4	(163,395,874)	(205,187,810)
5. Deficits in assets awaiting solution	139		22,379,153	7,796,848
III. Inventories	140	V.5	12,198,880,977	9,380,193,429
1. Inventories	141		13,425,612,653	10,893,190,002
2. Provision for devaluation of inventories	149		(1,226,731,676)	(1,512,996,573)
IV. Other short-term assets	150		346,683,656	267,341,359
1. Short-term prepayments	151	V.9a	222,819,957	217,924,839
Value added tax deductibles	152		73,735,419	-
3. Taxes and other receivables from the State budget	153	V.11a	50,128,280	49,416,520
B. NON-CURRENT ASSETS	200		212,476,450,251	209,502,050,246
I. Long-term receivables	210		37,000,000	37,000,000
1. Other long-term receivables	216		37,000,000	37,000,000
II. Fixed assets	220		193,403,313,774	192,696,221,613
1. Tangible fixed assets	221	V.6	193,229,954,854	192,455,110,969
- Cost	222		497,423,507,834	477,104,356,414
- Accumulated depreciation	223		(304,193,552,980)	(284,649,245,445)
2. Intangible assets	227	V.7	173,358,920	241,110,644
- Cost	228		719,000,000	719,000,000
- Accumulated depreciation	229		(545,641,080)	(477,889,356)
III. Long-term assets in progress	240		14,458,954,489	13,335,781,858
1. Long-term construction in progress	242	V.8	14,458,954,489	13,335,781,858
IV. Other long-term assets	260		4,577,181,988	3,433,046,775
1. Long-term prepayments	261	V.9b	4,577,181,988	3,433,046,775
TOTAL ASSETS	270		254,738,096,586	248,278,044,310


BALANCE SHEET (CONTINUED)
As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		60,499,868,376	57,576,885,198
I. Current liabilities	310		42,663,445,559	36,154,700,045
1. Short-term trade payables	311	V.10	9,286,388,797	7,359,689,526
2. Short-term advances from customers	312		546,916,817	786,779,940
3. Taxes and amounts payable to the State budget	313	V.11b	2,758,431,799	2,904,491,751
4. Payables to employees	314		10,716,465,896	9,840,539,232
5. Short-term accrued expenses	315	V.12	216,000,000	323,677,165
6. Other current payables	319	V.13	4,260,818,100	2,187,201,955
7. Short-term loans and obligations under	320	V.14a	13,434,851,110	11,583,269,436
8. Bonus and welfare funds	322		1,443,573,040	1,169,051,040
II. Long-term liabilities	330		17,836,422,817	21,422,185,153
1. Long-term loans and obligations under	338	V.14b	17,836,422,817	21,422,185,153
D. EQUITY	400		194,238,228,210	190,701,159,112
I. Owner's equity	410	V.15	194,238,228,210	190,701,159,112
1. Owner's contributed capital	411		172,302,040,000	172,302,040,000
- Ordinary shares carrying voting rights	411a		172,302,040,000	172,302,040,000
2. Investment and development fund	418		7,248,166,996	5,148,166,996
3. Retained earnings	421		14,688,021,214	13,250,952,116
- Retained earnings accumulated to the prior year end	421a		-	-
- Retained earnings of the current year	421b		14,688,021,214	13,250,952,116
TOTAL RESOURCES	440		254,738,096,586	248,278,044,310


Le Thi Thu Ha
Preparer


Le Minh Chuong
Chief Accountant


Le Anh Dung
Chairman of the Board
6 March 2025



INCOME STATEMENT
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	VI.1	133,591,382,404	129,078,380,992
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10	VI.1	133,591,382,404	129,078,380,992
4. Cost of sales	11	VI.2	100,894,811,134	98,104,319,437
5. Gross profit from goods sold and services rendered	20		32,696,571,270	30,974,061,555
6. Financial income	21		32,671,731	27,060,845
7. Financial expenses	22	VI.3	1,766,743,142	2,343,951,861
- In which: Interest expense	23		1,766,743,142	2,343,951,861
8. Selling expenses	25	VI.4	3,580,065,974	2,908,167,873
9. General and administration expenses	26	VI.5	9,190,026,952	9,173,885,086
10. Operating profit	30		18,192,406,933	16,575,117,580
11. Other income	31	VI.6	292,238,617	170,299,063
12. Other expenses	32		51,219,477	136,651,198
13. Profit from other activities	40		241,019,140	33,647,865
14. Accounting profit before tax	50		18,433,426,073	16,608,765,445
15. Current corporate income tax expense	51	VI.7	3,745,404,859	3,357,813,329
16. Net profit after corporate income tax	60		14,688,021,214	13,250,952,116
17. Basic earnings per share	70	VI.8	562	507



Le Thi Thu Ha
Preparer



Le Minh Chuong
Chief Accountant



Le Anh Dung
Chairman of the Board
6 March 2025

CASH FLOW STATEMENT
(Direct method)
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Revenue from sales, service provision, and other income	01	163,077,822,974	155,680,072,765
2. Payments to suppliers of goods and services	02	(55,268,391,201)	(50,584,704,374)
3. Payments to employees	03	(36,242,319,578)	(34,182,232,050)
4. Interest payments	04	(1,874,420,307)	(2,500,260,109)
5. Corporate income tax paid	05	(3,812,813,329)	(2,935,927,918)
6. Other revenue from business activities	06	1,549,538,329	534,274,196
7. Other expenses for business operations	07	(35,827,490,008)	(34,405,712,135)
Net cash flow from operating activities	20	31,601,926,880	31,605,510,375
II. Cash flow from investing activities			
1. Payments for the purchase and construction of fixed assets and other long-term assets	21	(22,338,755,706)	(14,181,924,402)
2. Proceeds from the disposal or sale of fixed assets and other long-term assets	22	54,703,704	-
3. Receipts from interest on loans, dividends, and profit distributions	27	32,671,731	27,060,845
Net cash flow from investing activities	30	(22,251,380,271)	(14,154,863,557)
III. Cash flow from financing activities			
1. Proceeds from borrowing	33	14,107,174,795	7,008,630,740
2. Repayments of principal on loans	34	(15,841,355,457)	(13,979,343,007)
3. Dividends and profits paid to shareholders	36	(6,030,571,400)	(5,169,061,200)
Net cash flow from financing activities	40	(7,764,752,062)	(12,139,773,467)
Net cash flow for the year	50	1,585,794,547	5,310,873,351
Cash and cash equivalents at the beginning of the year	60	20,691,478,937	15,380,605,586
Cash and cash equivalents at the end of the year	70	22,277,273,484	20,691,478,937



Le Thi Thu Ha
Preparer



Le Minh Chuong
Chief Accountant



Le Anh Dung
Chairman of the Board
6 March 2025

NOTES TO THE FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***I. GENERAL INFORMATION****1. Structure of ownership**

Quang Binh Water Supply Joint Stock Company was established under the Enterprise Registration Certificate No. 3100130287, converted from Quang Binh Water Supply One Member Limited Liability Company, which was first issued by the Department of Planning and Investment of Quang Binh Province on October 1, 1992, and amended thereafter.

The company's charter capital is VND 172,302,040,000 (One hundred seventy-two billion, three hundred two million, forty thousand Vietnamese Dong).

2. Business field

The company's business sector is the production and supply of clean water

3. Operating industry and principal activities

The main activities of the Company are the production and supply of clean water, as well as the construction and installation of water supply pipelines in Quang Binh Province.

4. Normal production and business cycle

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

5. Corporate structure

The company is located at: No. 81 Ly Thuong Kiet Street, Dong Hoi City, Quang Binh Province.

As of December 31, 2024, the company has the following subsidiaries:

No	Name	Address	Brand
1	Office of Quang Binh Water Supply JSC	No. 81 Ly Thuong Kiet, Dong Hoi City, Quang Binh Province	Clean Water Supply
2	Dong Hoi Water Supply Branch	Lane 55 Le Thanh Dong, Hai Thanh Ward, Dong Hoi City, Quang Binh Province	Clean Water Supply
3	Ba Don Water Supply Branch	Quarry 1, Ba Don Ward, Ba Don Town, Quang Binh Province	Clean Water Supply
4	Hoan Lao Water Supply Station	TK2, Hoan Lao Town, Bo Trach District, Quang Binh Province	Clean Water Supply
5	Kien Giang Water Supply Station	Quy Hau Village, Lien Thuy Commune, Le Thuy District, Quang Binh Province	Clean Water Supply
6	Quy Dat Water Supply Station	Yen Hoa Commune, Quy Dat Town, Minh Hoa District, Quang Binh Province	Clean Water Supply
7	Dong Le Water Supply Station	TK2, Dong Le Town, Tuyen Hoa District, Quang Binh Province	Clean Water Supply
8	Viet Trung TTNT Water Supply Station	TK3, Nong Truong Viet Trung Town, Bo Trach District, Quang Binh Province	Clean Water Supply
9	Quan Hau Water Supply Station	TK4, Quan Hau Town, Quang Ninh District, Quang Binh Province	Clean Water Supply
10	Phong Nha Water Supply Station	Son Trach Commune, Bo Trach District, Quang Binh Province	Clean Water Supply
11	Rao Da Water Supply Station	An Ninh Commune, Quang Ninh District, Quang Binh Province	Clean Water Supply

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

I. GENERAL INFORMATION (CONTINUED)**6. Explanation of comparability of information in financial statements**

Comparative figures are the figures from the financial statements for the financial year ending December 31, 2023, which have been audited.

7. Employees

The total number of employees of the Company as of December 31, 2024, is 223 (as of December 31, 2023, it was 225).

II. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

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

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The company's financial year begins from 01 January to 31 December.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

Chairman of the Board of Directors and the Board of Management of the Company apply Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the accounting regime for enterprises, Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC and Circular guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

Accounting method applied: Computerized accounting.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

Estimates

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Receivables**

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

The allowance for doubtful accounts represents the value of receivables that the Company expects will not be recoverable at the end of the reporting period. Any increase or decrease in the allowance balance is recognized as an expense in the management expenses section of the Income Statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventory value is determined according to the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	<u>Years</u>
Buildings and structures	05 - 50
Machinery, equipment	06 - 20
Vehicles, transportation equipment	05 - 30
Office equipment and furniture	05 - 08

Intangible assets and amortisation

The Company's intangible fixed assets are accounting software.

Intangible fixed assets are recorded at their original cost, reflected on the Balance Sheet according to the criteria of original price, accumulated depreciation and residual value.

Costs related to computer software programs that are not an integral part of the related hardware are capitalized. The original price of computer software is all expenses that the Company has spent up to the time the software is put into use. Computer software is amortized using the straight-line method from 5 to 8 years.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Company's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Construction in progress (Continued)**

According to state regulations on investment and construction management, depending on the level of authority, the final settlement value of completed basic construction projects must be approved by the relevant authorities. Therefore, the final value of these construction projects may change and depends on the settlement approved by the competent authorities.

Prepayments

Prepaid expenses include actual expenses that have been incurred but are related to the results of production and business activities over multiple accounting periods. Prepaid expenses include tools and instruments, insurance costs, and other prepaid expenses. These prepaid expenses will be gradually allocated to production and business costs over a reasonable period of time from when they are incurred.

Revenue recognition

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

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably; When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods (except for cases where customers have the right to return goods in the form of exchange for other goods or services);
- (d) The Company has obtained or will receive economic benefits from the sale transaction; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

- (a) The amount of revenue can be measured reliably; When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Borrowing costs

Borrowing costs include interest on loans and other costs directly related to borrowing activities.

Borrowing costs are recognized as expenses when incurred. However, if the borrowing costs are directly related to the acquisition, construction, or production of qualifying assets, which require a substantial period (over 12 months) to be ready for their intended use or sale, such borrowing costs are capitalized into the cost of those assets. For specific loans related to the construction of fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income generated from the temporary investment of borrowings is deducted from the cost of the related assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Borrowing costs (Continued)**

For general loans that are used for construction investment purposes or production of unfinished assets, the capitalized borrowing costs are determined according to the capitalization rate for the average cumulative cost. rights arising for investment in capital construction or production of that asset. The capitalization rate is calculated according to the weighted average interest rate of outstanding loans during the year, except for separate loans serving the purpose of creating a specific asset.

Tax

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

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

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

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

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

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

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

Basic/diluted earnings per share

Basic earnings per share are calculated by dividing the after-tax profit or loss allocated to shareholders owning the Company's common shares (after adjusting for appropriations for bonus and welfare funds) by the amount weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the after-tax profit (or loss) allocated to shareholders owning the Company's common shares (after adjusting for dividends on preferred shares with convertible rights) exchange for the weighted average number of common shares outstanding during the year and the weighted average number of common shares that would be issued in the event that all potential common shares are issued. All declines are converted into common shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprises, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET**1. CASH**

	Closing balance VND	Opening balance VND
Cash	66,766,487	467,342,783
Cash in bank	22,210,506,997	20,224,136,154
Total	22,277,273,484	20,691,478,937

2. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Receivables for customer's water bill	6,803,887,092	7,212,607,843
Receivables for installation and relocation of water supply p	255,654,080	1,201,180,259
- Management Board of Construction Investment Projects and Land Development of Dong Hoi City	1,186,000	991,476,000
- Other receivables from customers for installation and relocation of water supply pipelines	254,468,080	209,704,259
Total	7,059,541,172	8,413,788,102

3. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
Nhat Minh General Service Trading Co.,Ltd	230,074,634	-
Water Resource Consultancy Co.,Ltd	60,701,383	62,739,325
Environmental and Resource Consulting Services	51,174,000	51,174,000
Other prepayments to suppliers	170,783,750	99,119,874
Total	512,733,767	213,033,199

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****4. BAD DEBT**

	Closing balance			Opening balance		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
	VND	VND	VND	VND	VND	VND
Agricultural & Seafood EPE	-	-	-	25,043,117	-	(25,043,117)
Ngoc Ha Construction Materials JSC	36,758,565	-	(36,758,565)	36,758,565	-	(36,758,565)
Truong Thanh Industrial Co., Ltd	-	-	-	16,748,819	-	(16,748,819)
Quang Binh Construction Materials JSC	14,861,748	-	(14,861,748)	14,861,748	-	(14,861,748)
Lung Lo Construction Company	10,255,667	-	(10,255,667)	10,255,667	-	(10,255,667)
Other Entities	101,519,894	-	(101,519,894)	101,519,894	-	(101,519,894)
Total	163,395,874	-	(163,395,874)	205,187,810	-	(205,187,810)

5. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Materials	12,605,089,527	(1,226,731,676)	10,379,276,423	(1,512,996,573)
Instruments and tools	269,316,308	-	55,847,952	-
Work-in-Progress	551,206,818	-	458,065,627	-
Total	13,425,612,653	(1,226,731,676)	10,893,190,002	(1,512,996,573)

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****6. TANGIBLE FIXED ASSETS**

	Buildings and structures VND	Machinery and Equipment VND	Means of transport, loading, VND	Fixed assets used in management VND	Total VND
COST					
Opening balance	129,190,887,076	46,843,816,322	300,897,834,835	171,818,181	477,104,356,414
Additions	-	1,802,826,000	1,268,376,000	63,709,091	3,134,911,091
Transfer from construction in progress	875,148,685	2,517,483,343	14,688,039,956	-	18,080,671,984
Liquidation, sale	-	-	(896,431,655)	-	(896,431,655)
Closing balance	130,066,035,761	51,164,125,665	315,957,819,136	235,527,272	497,423,507,834
ACCUMULATED DEPRECIATION					
Opening balance	78,562,571,854	24,885,140,721	181,109,146,553	92,386,317	284,649,245,445
Charge for the year	5,588,155,018	2,807,524,098	12,027,519,103	17,540,971	20,440,739,190
Liquidation, sale	-	-	(896,431,655)	-	(896,431,655)
Closing balance	84,150,726,872	27,692,664,819	192,240,234,001	109,927,288	304,193,552,980
NET BOOK VALUE					
Opening balance	50,628,315,222	21,958,675,601	119,788,688,282	79,431,864	192,455,110,969
Closing balance	45,915,308,889	23,471,460,846	123,717,585,135	125,599,984	193,229,954,854

Original cost of tangible fixed assets, including fully depreciated tangible fixed assets that are still in use as of December 31, 2024, is 120,618,712,526 VND (as of December 31, 2023, it was 116,412,235,828 VND).

As of December 31, 2024, the remaining value of tangible fixed assets that have been pledged or mortgaged for loans is 38,884,957,563 VND (as of December 31, 2023, it was 41,115,773,403 VND).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)**7. INTANGIBLE ASSETS**

	Management Software VND
COST	
Opening balance	719,000,000
Closing balance	719,000,000
ACCUMULATED DEPRECIATION	
Opening balance	477,889,356
Charge for the year	67,751,724
Closing balance	545,641,080
NET BOOK VALUE	
Opening balance	241,110,644
Closing balance	173,358,920

Original cost of of intangible fixed assets includes fully depreciated intangible fixed assets that are still in use as of December 31, 2024, amounting to VND 284,000,000 (as of December 31, 2023, it was VND 175,000,000).

8. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening Closing VND
Third-tier water supply network of Ba Don town, Hoan Lao townlet, Phong Nha townlet, Quy Dat townlet 2023	6,767,507,541	1,548,648,917
First-tier water supply network HDPE 400 Dong Hoi City	4,032,857,716	-
Third-tier water supply network of Dong Hoi city, Ba Don town, Dong Le townlet	166,665,066	4,095,715,265
Second-level network in 2023	152,043,305	5,548,806,256
Other structures	3,339,880,861	2,142,611,420
Total	14,458,954,489	13,335,781,858

9. PREPAYMENTS

	Closing balance VND	Opening Closing VND
a. Short-term		
Tools and equipment	7,122,500	13,954,166
Other short-term prepayments	215,697,457	203,970,673
Total	222,819,957	217,924,839
b. Long-term		
Tools and equipment	1,016,379,720	792,323,800
Other long-term prepayments	3,560,802,268	2,640,722,975
Total	4,577,181,988	3,433,046,775

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****10. SHORT-TERM TRADE PAYABLES**

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
DNP Holding JSC	2,535,619,680	2,535,619,680	1,674,451,084	1,674,451,084
Quang Binh Irrigation Works Exploitation One Member Co.,Ltd	896,413,928	896,413,928	909,774,275	909,774,275
Quang Binh Construction Consultantcy JSC	546,635,120	546,635,120	886,415,914	886,415,914
VBS Measure Technology JSC	572,400,000	572,400,000	755,936,500	755,936,500
BIWASE Quang Binh JSC	997,036,530	997,036,530	741,171,270	741,171,270
Other payables	3,738,283,539	3,738,283,539	2,391,940,483	2,391,940,483
Total	9,286,388,797	9,286,388,797	7,359,689,526	7,359,689,526

11. TAX AND AMOUNTS RECEIVABLE/ PAYABLE TO THE STATE BUDGET

	Closing balance	Amount payable for the year	Amount paid/offset during the year	Opening balance
	VND	VND	VND	VND
a. Receivables				
Natural resource consumption tax	50,128,280	-	711,760	49,416,520
Total	50,128,280	-	711,760	49,416,520
b. Payables				
Value-added tax (VAT)	-	1,934,548,361	2,015,440,797	80,892,436
Corporate income tax	1,035,893,555	3,745,404,859	3,812,813,329	1,103,302,025
Personal income tax	197,558,490	263,329,684	233,771,194	168,000,000
Land tax and land rent	-	368,566,252	368,566,252	-
Natural resource consumption tax	-	267,256,240	267,256,240	-
Environmental protection tax	1,524,979,754	21,409,610,830	21,436,928,366	1,552,297,290
Other taxes	-	14,000,000	14,000,000	-
Total	2,758,431,799	28,002,716,226	28,148,776,178	2,904,491,751

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****12. SHORT-TERM ACCRUED EXPENSES**

	Closing balance VND	Opening balance VND
Accrued interest expense	216,000,000	323,677,165
Total	216,000,000	323,677,165

13. OTHER PAYABLES

	Closing balance VND	Opening balance VND
Excess assets awaiting resolution	18,863,681	17,685,091
Trade union fund	1,653,531	7,520,706
Short-term deposits and margin deposits	1,579,500,000	1,438,000,000
Other payables and accruals	2,660,800,888	723,996,158
- <i>Quang Binh Forest Protection and Development Fund</i>	153,081,032	149,889,844
- <i>Project Management Unit for Construction Investment and Land Development of Dong Hoi City</i>	1,092,668,000	-
- <i>Wastewater fee</i>	862,346,113	-
- <i>Others</i>	552,705,743	574,106,314
Total	4,260,818,100	2,187,201,955

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	Closing balance		In the year		Opening balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
a. Short-term						
Short-term bank loans	5,457,545,414	5,457,545,414	9,650,631,435	8,059,049,761	3,865,963,740	3,865,963,740
Vietnam Joint Stock Commercial Bank for Foreign Trade - Quang Binh Branch (i)	5,457,545,414	5,457,545,414	9,650,631,435	8,059,049,761	3,865,963,740	3,865,963,740
Total short-term loans	5,457,545,414	5,457,545,414	9,650,631,435	8,059,049,761	3,865,963,740	3,865,963,740
Current portion of long-term debt	7,977,305,696	7,977,305,696			7,717,305,696	7,717,305,696
Total	13,434,851,110	13,434,851,110			11,583,269,436	11,583,269,436

- (i) The loan at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the credit limit loan agreement No. 25/2024/VCB.KHDN.HDHM dated July 22, 2024, with a credit limit of VND 8 billion. The credit limit is maintained until May 23, 2025. The company borrows funds to serve its production and business activities, and the loan interest rate is determined at the time of disbursement according to the bank's lending rate announcements for each period and recorded in each debt acknowledgment. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, and No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, as well as No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)**

	Closing balance		In the year		Opening balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
b. Long-term						
Long-term bank loans	25,813,728,513	25,813,728,513	4,456,543,360	7,782,305,696	29,139,490,849	29,139,490,849
Vietnam Development Bank - Quang Binh Branch (ii)	10,472,185,153	10,472,185,153	-	5,317,305,696	15,789,490,849	15,789,490,849
Vietnam Joint Stock Commercial Bank for Foreign Trade - Quang Binh Branch (iii)	15,341,543,360	15,341,543,360	4,456,543,360	2,465,000,000	13,350,000,000	13,350,000,000
Total	25,813,728,513	25,813,728,513	4,456,543,360	7,782,305,696	29,139,490,849	29,139,490,849
Current portion of long-term debt	(7,977,305,696)	(7,977,305,696)	-	-	(7,717,305,696)	(7,717,305,696)
Vietnam Development Bank - Quang Binh Branch (ii)	(5,317,305,696)	(5,317,305,696)	-	-	(5,317,305,696)	(5,317,305,696)
Vietnam Joint Stock Commercial Bank for Foreign Trade - Quang Binh Branch (iii)	(2,660,000,000)	(2,660,000,000)	-	-	(2,400,000,000)	(2,400,000,000)
Total	17,836,422,817	17,836,422,817			21,422,185,153	21,422,185,153

(ii) The loan from the Vietnam Development Bank (VDB) sourced from ODA funds to implement the project "Upgrading and Improving the Water Supply and Sanitation Systems for Cities and Towns" was re-signed between the Ministry of Finance and the Company under the Supplemental Loan Agreement dated August 28, 1997, and the Amendment to the Supplemental Loan Agreement signed on April 28, 2008. The principal loan amount is 69,904,158,089 VND with a loan term of 25 years, a grace period of 5 years, and an interest rate of 5% per year.

(iii) Including loan agreements:

- The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the investment project loan agreement No. 877/2019/VCB.KHDN dated October 31, 2019. The loan term is 7 years from the day following the first disbursement date. The loan is used to pay for reasonable, valid, and legal expenses related to project investment implementation. The loan interest rate is based on the 12-month personal savings deposit ceiling rate in VND plus a margin (spread), determined at the time of signing the credit agreement and adjusted upon notification from the bank when there are changes. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)**

- The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 856/2020/VCB.KHDN dated August 24, 2020. The maximum loan amount is VND 16 billion, but it shall not exceed 77.5% of the total investment cost for the investment plan to acquire the Rao Da Water Plant System. The loan term is 120 months from the first disbursement date. The loan is used to finance reasonable and legitimate credit needs related to the investment plan for acquiring the Rao Da Water Plant System, which has been approved by the competent authority. This is in accordance with the asset purchase contract No. 21/HĐMD dated May 4, 2020, signed between the Project Management Unit for Construction Investment and Land Development of Quang Ninh District and Quang Binh Water Supply Joint Stock Company. The loan interest rate is adjustable, consisting of: Base interest rate + 2% per year for the first two years, Base interest rate + 2.5% per year from the third year onward. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.
- The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 11/2024/VCB.KHDN.TDH, dated August 26, 2024. The maximum loan amount is VND 1.255 billion, with a loan term of 60 months from the first disbursement date. The loan is used to purchase a Hino truck crane for fixed asset investment. The interest rate is structured as follows: Fixed at 6.5% per year for the first year from the initial disbursement date, For the remaining loan term, the interest rate is the base rate + a margin of 2.8% per year. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.
- The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 12/2024/VCB.KHDN.TDH, dated November 20, 2024. The maximum loan amount is VND 9 billion, with a loan term of 84 months from the first disbursement date. The loan is used to invest in the transmission pipeline from Phu Vinh Water Plant to Dong Hoi Bypass Road. The interest rate is structured as follows: Fixed at 6.6% per year for the first year from the initial disbursement date, For the remaining loan term, the interest rate is the base rate + a margin of 2.9% per year. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.

Long-term loans are repaid according to the following schedule:

	Closing balance	Opening balance
	VND	VND
In one year	7,977,305,696	7,717,305,696
From the second to the fifth year	17,836,422,817	18,622,185,153
After five years	-	2,800,000,000
Total	25,813,728,513	29,139,490,849
Less: Amounts payable within 12 months	7,977,305,696	7,717,305,696
Amounts payable after 12 months	17,836,422,817	21,422,185,153

QUANG BINH WATER SUPPLY JOINT STOCK COMPANYNo. 81 Ly Thuong Kiet Street, Dong Hoi city,
Quang Binh Province**FORM B 09 - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 issued by the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****15. OWNER'S EQUITY****a. Movement of owner's equity**

	Owner's contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior year's opening balance as previously reported	172,302,040,000	3,248,166,996	11,312,504,978	186,862,711,974
Profit for the year	-	-	13,250,952,116	13,250,952,116
Divide dividends	-	-	(5,169,061,200)	(5,169,061,200)
Deduction to the Investment and development fund	-	1,900,000,000	(1,900,000,000)	-
Deduction to the Bonus and Welfare Fund	-	-	(3,940,143,778)	(3,940,143,778)
Provision for executive bonuses	-	-	(303,300,000)	(303,300,000)
Current year's opening balance	172,302,040,000	5,148,166,996	13,250,952,116	190,701,159,112
Profit for the year	-	-	14,688,021,214	14,688,021,214
Divide dividends (*)	-	-	(6,030,571,400)	(6,030,571,400)
Deduction to the Investment and development fund (*)	-	2,100,000,000	(2,100,000,000)	-
Deduction to the Bonus and Welfare Fund (*)	-	-	(4,817,080,716)	(4,817,080,716)
Provision for executive bonuses (*)	-	-	(303,300,000)	(303,300,000)
Current year's closing balance	172,302,040,000	7,248,166,996	14,688,021,214	194,238,228,210

(*) According to the Resolution of the Annual General Shareholders' Meeting 2024 No. 01/2024/NQ-ĐGDĐĐ dated April 25, 2024, the Company implements the distribution of after-tax profit for the year 2023 as follows:

- Set aside the development investment fund with the amount of VND 2,100,000,000;
- Allocate to the reward, welfare fund, and management board bonuses of VND 4,817,080,716 and VND 303,300,000, respectively;
- Dividend distribution of VND 6,030,571,400

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE BALANCE SHEET (CONTINUED)****15. OWNER'S EQUITY (CONTINUED)****b. Detail of owner's contributed equity**

	Closing balance		Opening balance	
	Ownership	Amount	Ownership	Amount
	ratio	VND	ratio	VND
	%		%	
People's Committee of Quang Binh Province	52.16%	89,865,040,000	52.16%	89,865,040,000
Binh Duong Water - Environment Corporation - JSC	41.00%	70,650,000,000	41.00%	70,650,000,000
Other shareholders' equity	6.84%	11,787,000,000	6.84%	11,787,000,000
Cộng	100%	172,302,040,000	100%	172,302,040,000

c. Shares

	Closing balance	Opening balance
	Shares	Shares
Number of shares sold to the public	17,230,204	17,230,204
- Common stock	17,230,204	17,230,204
Number of shares outstanding	17,230,204	17,230,204
- Common stock	17,230,204	17,230,204
Outstanding shares par value (VND/share)	10,000	10,000

16. OFF BALANCE SHEET**Leased Assets**

The company is managing and utilizing 21 land plots in Quang Binh province, covering a total area of 72,195.9 m². These plots are used for office headquarters, water plants, branch offices, warehouses, pumping stations, filtration tanks, and storage tanks. The land is leased under an annual payment scheme.

Bad debt resolved

	Closing balance	Opening balance
	VND	VND
Agricultural & Seafood EPE	25,043,117	-
Total	25,043,117	-

17. DEPARTMENT REPORT

According to the provisions of Accounting Standard No. 28 and the related guiding Circular, the Company is required to prepare a segment report. Accordingly, a segment is a separately identifiable part of the Company engaged in providing related products or services (business segment) or providing products or services within a specific economic environment (geographical segment), each of which bears risks and earns economic benefits distinct from other segments. The Chairman of the Board and the Board of Management assess that the Company operates primarily in a single business segment-producing and selling domestic water (as detailed in Note VI.1, with revenue from water business accounting for 91.9% of total revenue)-and its main geographical segment is within Quang Binh province. Therefore, the Company does not prepare a segment report under this standard.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INCOME STATEMENT****1. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	Current year VND	Prior year VND
Revenue from water production and supply	120,537,442,146	115,745,316,036
Revenue from branch pipe installation	10,006,781,380	11,652,723,278
Other revenue	3,047,158,878	1,680,341,678
Total	133,591,382,404	129,078,380,992

2. COST OF SALES

	Current year VND	Prior year VND
Cost of water production and supply	92,679,408,298	87,560,169,148
Cost of branch pipe installation	8,089,407,563	9,524,381,675
Provision (Reversal) for inventory write-down	(132,381,512)	514,108,171
Cost of other activities	258,376,785	505,660,443
Total	100,894,811,134	98,104,319,437

3. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Loan interest	1,766,743,142	2,343,951,861
Total	1,766,743,142	2,343,951,861

4. SELLING EXPENSES

	Current year VND	Prior year VND
Material expenses	3,580,065,974	2,908,167,873
Total	3,580,065,974	2,908,167,873

5. ADMINISTRATIVE EXPENSES

	Current year VND	Prior year VND
Management salary expenses	2,259,860,000	2,426,400,000
Management materials expenses	54,003,228	49,320,526
Depreciation expense of fixed assets	781,595,537	833,612,327
Outsourced service expenses	2,514,537,419	2,201,735,039
Other expenses	3,596,779,587	3,584,689,891
Provision (Reversal) for doubtful debts	(16,748,819)	78,127,303
Total	9,190,026,952	9,173,885,086

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INCOME STATEMENT (CONTINUED)****6. OTHER INCOME**

	Current year VND	Prior year VND
Liquidation and transfer of fixed assets	54,703,704	-
Debt settlement	76,162,554	13,786,194
Material liquidation	93,190,541	88,230,940
Others	68,181,818	68,281,929
Total	292,238,617	170,299,063

7. CURRENT CORPORATE INCOME TAX EXPENSES

	Current year VND	Prior year VND
Current corporate income tax expense		
Total profit before tax	18,433,426,073	16,608,765,445
Điều chỉnh cho thu nhập chịu thuế	-	-
Adjustments for increases	146,041,700	162,451,198
<i>Non-deductible expenses</i>	146,041,700	162,451,198
Taxable income	18,579,467,773	16,771,216,643
Current corporate income tax rate	20%	20%
Corporate income tax expense based on income	3,715,893,555	3,354,243,329
Corporate income tax for prior years	29,511,304	3,570,000
Current corporate income tax expense	3,745,404,859	3,357,813,329

8. BASIC EARNINGS PER SHARE

	Current year VND	Prior year (Restatement) VND
Profit/loss for basic earnings per share calculation	14,688,021,214	13,250,952,116
Provision for estimated bonus and welfare fund (*)	(5,003,301,373)	(4,513,780,716)
Profit for basic earnings per share calculation	9,684,719,841	8,737,171,400
Weighted average number of common shares for basic earnings per share calculation	17,230,204	17,230,204
Basic earnings per share	562	507

(*) The estimated reward and welfare fund for the fiscal year ending December 31, 2024, is calculated by multiplying the reward and welfare fund rate allocated from the after-tax profit of 2023 by the after-tax profit of the fiscal year ending December 31, 2024.

The company has adjusted the basic earnings per share (EPS) indicator for the fiscal year ending December 31, 2023, due to the impact of appropriating the Welfare and Reward Fund in accordance with the 2024 Annual General Meeting of Shareholders' Resolution on the distribution of after-tax profit for 2023, as follows:

	Reported figure VND	Adjustment VND	Restarted figure VND
Accounting profit after tax	13,250,952,116	-	13,250,952,116
Less: Provision for bonus and welfare fund	(4,970,576,404)	456,795,688	(4,513,780,716)
Profit for basic earning per share	8,280,375,712	456,795,688	8,737,171,400
Weighted average number of common shares for basic earning per share	17,230,204	-	17,230,204
Basic earning per share	481	27	507

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INCOME STATEMENT (CONTINUED)****9. Production and business costs by factor**

	Current year VND	Prior year VND
Material costs	25,738,575,990	28,203,599,580
Labor costs	42,009,134,805	38,799,007,011
Depreciation expense of fixed assets	20,508,490,914	20,399,152,979
Outsourced service expenses	21,321,570,292	15,707,185,285
Other cash expenses	4,180,273,250	7,274,612,224
Total	113,758,045,251	110,383,557,079

VII. OTHER INFORMATION**1. RELATED PARTY TRANSACTIONS AND BALANCES***List of related parties:***Related parties**

Binh Duong Water - Environment Corporation - JSC

Relationship

Major shareholder

Members of the Board of Directors and the Board of

Key management personnel

During the year, the Company had the following major transactions with related parties:

	Closing balance VND	Opening balance VND
Pay dividends	2,472,750,000	2,119,500,000
Binh Duong Water - Environment Corporation - JSC	2,472,750,000	2,119,500,000

The income of the Board of Directors, the Executive Board, and the Supervisory Board for the year is as follows:

<u>Name</u>	<u>Title</u>	Current Year VND	Prior year VND
Mr. Le Anh Dung	Chairman	584,846,000	586,844,200
Mr. Nguyen Van Dung	Director & Permanent member	569,466,000	568,685,000
Mr. Le Van Nghia	Deputy Director	453,442,000	455,654,000
Mr. Tran Van Tien	Deputy Director	461,311,000	467,420,800
Mr. Le Minh Chuong	Member of the Board of Directors	471,708,000	467,210,550
Mr. Nguyen Duc Vu	Supervisor	334,545,000	332,576,000
Mr. Tran Van Ban	Member of the Board of Supervision	276,495,000	260,127,600
Mr. Mai Song Hao	Member of the Board of Directors	20,800,000	9,600,000
Mr. Tran Tan Duc	Member of the Board of Directors	20,800,000	9,600,000
Mr. Trinh Dinh Tung	Member of the Board of Supervision	16,000,000	8,000,000
Cộng		3,209,413,000	3,165,718,150

**QUANG BINH WATER
SUPPLY JOINT STOCK
COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No.: 106 /NQB-CBTT

Quang Binh, March 06, 2025

Re: Explanation of the Difference in
After-Tax Profit for 2024 Compared to 2023

To: - State Securities Commission
- Hanoi Stock Exchange

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, providing guidelines on information disclosure in the securities market.

Pursuant to the audited financial statements for the fiscal year ending December 31, 2024, conducted by the International Auditing Co., Ltd., and submitted by Quang Binh Water Supply Joint Stock Company to the State Securities Commission and the Hanoi Stock Exchange.

Quang Binh Water Supply Joint Stock Company hereby provides an explanation of the variance in after-tax corporate income as reflected in the financial statements of 2024 compared to 2023 as follows:

- Revenue from sales and services in 2024 increased by 3.49% compared to the same period in 2023, equivalent to an increase of VND 4.513 billion. This growth was primarily driven by higher revenue from clean water sales and installation services for water supply system connections, resulting from an increase in new customer installations and system renovations compared to 2023.

- The cost of goods sold in the production of tap water decreased relative to the revenue growth, due to investments in construction, renovation, and technological upgrades at certain production plants. These improvements led to cost savings in electricity consumption and disinfection chemicals.

Other financial indicators fluctuated in line with the actual production and business operations of the company but remained insignificant.

The above factors represent the primary reasons for the variance in after-tax corporate income in the financial statements of Quang Binh Water Supply Joint Stock Company for 2024 compared to 2023.

Recipients:

- As above,
- Administrative

CHAIRMAN OF THE BOARD



Lê Anh Dũng