

**BAC NINH CLEAN WATER JOINT
STOCK COMPANY**

SOCIALIST REPUBLIC OF VIET NAM
Independence – Freedom – Happiness

No.: 75 /CV-NSBN

Bac Ninh, dated February 9, 2026

PERIODIC DISCLOSURE OF FINANCIAL STATEMENTS

To: Hanoi Stock Exchange

In accordance with Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance on information disclosure in the securities market, Bac Ninh Clean Water Joint Stock Company hereby discloses the audited financial statements (FS) for the fiscal year 2025 to the Hanoi Stock Exchange as follows:

1. Name of organization: BAC NINH CLEAN WATER JOINT STOCK COMPANY
 2. Stock symbol: BNW
 - Address: No. 57, Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province.
 - Tel: Fax:
 - Email: Website: nuocsachbacninh.vn
 2. Content of the disclosed information:
 - The audited financial statements for the fiscal year 2025.
 - Separate financial statements (The listed entity does not have subsidiaries or a higher-level accounting entity with subordinate units);
 - Consolidated financial statements (The listed entity has subsidiaries);
 - Aggregated financial statements (The listed entity has subordinate accounting units within its organizational structure).
 - Cases that require an explanation of the reasons:
 - + The audit firm issues an opinion that is not an unqualified opinion on the financial statement (for the audited financial statements):
 - Yes No
- Explanatory document in the case of marking "yes":
- Yes No



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

Yes No

Explanatory document in the case of marking "yes":

Yes No

+ Net profit after corporate income tax in the income statement for the reporting period has changed by 10% or more compared to the same period of the previous year:

Yes No

Explanatory document in the case of marking "yes":

Yes No

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

Yes No

Explanatory document in the case of marking "yes":

Yes No

This information has been disclosed on the company's website on: .../02/2026 at the following link:

Attached documents:

- The audited financial statements for the fiscal year 2025.
- Explanation Document on the Decrease in Profit After Tax.

Representative of the organization
Legal representative/Authorized person
for information disclosure
(Signature, full name, title, seal)

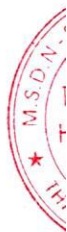


TRƯỞNG GIÁM ĐỐC
Lưu Xuân Tâm

FINANCIAL STATEMENTS

BAC NINH CLEAN WATER JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2025
(audited)



CONTENTS

	Pages
Report of the Board of Management	02-03
Independent Auditors' report	04-05
Audited Financial Statements	06-44
Statement Of Financial Position	06-07
Statement Of Income	08
Statement Of Cashflows	09-10
Notes to Financial Statements	11-44



REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Bac Ninh Clean Water Joint Stock Company (“the Company”) presents its report and the Company’s Financial Statements for the fiscal year ended as at 31 December 2025.

THE COMPANY

Bac Ninh Clean Water Joint Stock Company was converted from Bac Ninh Water Supply and Drainage One Member Limited Liability Company according to Decision No. 500/QD-UBND dated December 03, 2015, issued by the People’s Committee of Bac Ninh province, approving the equitization of Bac Ninh Water Supply and Drainage One Member Limited Liability Company.

The Company operates under Business Registration Certificate No. 2300108311, initially issued by the Bac Ninh Department of Planning and Investment on December 29, 2006, and amended for the fifth time on March 14, 2025.

The Company’s head office is located at: No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province.

BOARD OF DIRECTOR, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISION

Members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Nguyen Tien Long	Chairman
Mr. Luu Xuan Tam	Member
Mrs. Vu Thi Chuyen	Member
Mr. Nguyen Dinh Ton	Member
Mr. Nguyen Xuan Quyet	Member

Members of the Board of Management during the fiscal year and to the reporting date are:

Mr. Luu Xuan Tam	General Director
Mr. Nguyen Dinh Ton	Vice General Director
Mr. Tran Khanh Tinh	Vice General Director

Members of the Board of Supervision are:

Mrs. Tran Thi Huong	Chief Controller
Mr. Nguyen Hong Thien	Member
Mrs. Nguyen Thi Mai Lan	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and to the date of this Financial Statements is Mr. Luu Xuan Tam – General Director.

AUDITORS

The auditors of AASC Auditing Firm Company Limited have taken the audit of Financial statements for the Company.

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the Financial Statements which give a true and fair view of the financial position of the Company; its operating results and its cash flows for the year. In preparing those Financial Statements, the Board of Management is required to:

- Establish and maintain an internal control system which is determined necessary by The Board of Management and Board of Directors to ensure the preparation and presentation of Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at anytime and to ensure that the Financial Statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Financial Statements give a true and fair view of the financial position at 31 December 2025, its operation results and cash flows in the year 2025 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements.

Other commitments

The Board of Management pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and the Circular No. 68/2024/TT-BTC dated 18 September 2024 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 96/2020/TT-BTC.

On behalf of The Board of Management



Luu Xuan Tam
General Director

Bac Ninh, 05 February 2026

No.: 050226.001/BCTC.KT2

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, The Board of Directors and The Board of Management
Bac Ninh Clean Water Joint Stock Company**

We have audited the accompanying Financial Statements of Bac Ninh Clean Water Joint Stock Company prepared on 05 February 2026 from page 06 to page 44, including: Statement Of Financial Position as at 31 December 2025, Statement Of Income, Statement Of Cashflows and Notes to Financial Statements for the fiscal year ended 31 December 2025.

Board of Management' Responsibility

The Board of Management is responsible for the preparation and presentation of Financial Statements that give a true and fair view 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 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 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 standards and ethical requirements; 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 auditor's 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 auditor considers internal control relevant to the entity's preparation and presentation of Financial Statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Management, 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 give a true and fair view, in all material respects, of the Financial Position of Bac Ninh Clean Water Joint Stock Company as at 31 December 2025, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements.

AASC Auditing Firm Company Limited



Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2023-002-1

Hanoi, 05 February 2026

Le Cong Thang

Auditor

Certificate of registration to audit practice

No: 4422-2024-002-1



STATEMENT OF FINANCIAL POSITION

As at 31 December 2025


Code	ASSETS	Note	31/12/2025 VND	01/01/2025 VND
100	A. CURRENT ASSETS		148,973,935,614	158,940,740,516
110	I. Cash and cash equivalents	3	42,147,572,550	30,986,613,786
111	1. Cash		5,520,813,646	4,454,854,882
112	2. Cash equivalents		36,626,758,904	26,531,758,904
120	II. Short-term investments	4	45,150,800,000	76,304,501,392
123	1. Held to maturity investments		45,150,800,000	76,304,501,392
130	III. Short-term receivables		39,310,850,860	20,551,163,932
131	1. Short-term trade receivables	5	18,688,393,928	17,064,730,971
132	2. Short-term prepayments to suppliers	6	19,834,663,146	2,047,557,114
136	3. Other short-term receivables	7	1,285,544,236	2,679,290,864
137	4. Provision for short-term doubtful debts (*)		(497,750,450)	(1,240,415,017)
140	IV. Inventories	9	20,705,028,598	18,262,524,880
141	1. Inventories		20,705,028,598	18,262,524,880
150	V. Other short-term assets		1,659,683,606	12,835,936,526
151	1. Short-term prepaid expenses	13	184,199,879	122,479,842
152	2. Deductible VAT		1,319,881,797	12,713,456,684
153	3. Taxes and other receivables from State budget	15	155,601,930	-
200	B. NON-CURRENT ASSETS		779,842,371,612	748,012,856,201
220	II. Fixed assets		665,602,673,166	512,154,986,509
221	1. Tangible fixed assets	11	663,911,033,566	509,917,058,345
222	- Historical costs		1,150,401,680,499	943,281,624,514
223	- Accumulated depreciation (*)		(486,490,646,933)	(433,364,566,169)
227	2. Intangible fixed assets	12	1,691,639,600	2,237,928,164
228	- Historical costs		7,828,798,850	7,828,798,850
229	- Accumulated amortization (*)		(6,137,159,250)	(5,590,870,686)
240	IV. Long-term assets in progress	-	79,056,093,777	200,346,381,604
242	1. Construction in progress	10	79,056,093,777	200,346,381,604
250	V. Long-term investments	4	14,270,362,558	14,270,362,558
252	1. Investments in joint ventures and associates		14,270,362,558	14,270,362,558
260	VI. Other long-term assets		20,913,242,111	21,241,125,530
261	1. Long-term prepaid expenses	13	20,913,242,111	21,241,125,530
270	TOTAL ASSETS		928,816,307,226	906,953,596,717


STATEMENT OF FINANCIAL POSITION


As at 31 December 2025

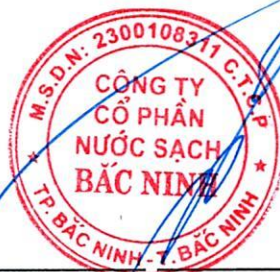
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Code	CAPITAL	Note	31/12/2025	01/01/2025
			VND	VND
300	C. LIABILITIES		515,882,636,680	479,918,472,984
310	I. Current liabilities		142,697,990,708	141,625,355,235
311	1. Short-term trade payables	14	9,261,807,436	39,976,940,936
312	2. Short-term prepayments from customers		661,942,924	254,279,931
313	3. Taxes and other payables to State budget	15	68,091,380,575	47,556,889,340
314	4. Payables to employees		14,316,121,103	12,623,084,318
315	5. Short-term accrued expenses	16	3,085,753,802	1,821,612,707
319	6. Other short-term payments	17	20,105,588,941	12,580,554,791
320	7. Short-term borrowings and finance lease liabilities	18	25,992,014,982	25,502,793,849
322	8. Bonus and welfare fund		1,183,380,945	1,309,199,363
330	II. Non-current liabilities		373,184,645,972	338,293,117,749
337	1. Other long-term payables	17	92,869,198,557	91,583,091,321
338	2. Long-term borrowings and finance lease liabilities	18	280,315,447,415	246,710,026,428
400	D. OWNER'S EQUITY		412,933,670,546	427,035,123,733
410	I. Owner's equity	19	412,933,670,546	427,035,123,733
411	1. Contributed capital		375,493,910,000	375,493,910,000
411a	Ordinary shares with voting rights		375,493,910,000	375,493,910,000
418	2. Development and investment funds		3,050,000,000	550,000,000
421	3. Retained earnings		34,389,760,546	50,991,213,733
421b	Retained earnings of the current year		34,389,760,546	50,991,213,733
440	TOTAL CAPITAL		928,816,307,226	906,953,596,717


 Nguyen Thi Ngoc Hieu
 Preparer


 Nguyen Thi Phuong
 Chief Accountant


 Luu Xuan Tam
 General Director





Bac Ninh, 05 February 2026


STATEMENT OF INCOME

Year 2025

Code	ITEM	Note	Year 2025	Year 2024
			VND	VND
01	1. Revenue from sales of goods and rendering of services	21	296,116,077,491	286,984,251,029
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		296,116,077,491	286,984,251,029
11	4. Cost of goods sold and services rendered	22	222,607,450,558	197,763,974,584
20	5. Gross profit from sales of goods and rendering of services		73,508,626,933	89,220,276,445
21	6. Financial income	23	2,293,194,467	2,813,003,054
22	7. Financial expenses	24	14,626,890,038	11,770,819,626
23	<i>In which: Interest expenses</i>		14,626,890,038	11,770,819,626
25	8. Selling expenses		-	-
26	9. General and administrative expenses	25	20,802,904,058	20,128,936,033
30	10. Net profit from operating activities		40,372,027,304	60,133,523,840
31	11. Other income	26	941,815,165	1,070,204,392
32	12. Other expenses	27	289,109,746	6,194,002
40	13. Other profit		652,705,419	1,064,010,390
50	14. Total net profit before tax		41,024,732,723	61,197,534,230
51	15. Current corporate income tax expense	28	6,046,972,177	9,918,320,497
60	17. Profit after corporate income tax		<u>34,977,760,546</u>	<u>51,279,213,733</u>
70	18. Basic earnings per share	29	916	1,358


 Nguyen Thi Ngoc Hieu
 Preparer


 Nguyen Thi Phuong
 Chief Accountant


 Lau Xuan Tam
 General Director



Bac Ninh, 05 February 2026

STATEMENT OF CASH FLOWS

Year 2025

(Indirect method)


Code ITEM	Note	Year 2025	Year 2024
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	41,024,732,723	61,197,534,230
	2. Adjustments for		
02	- Depreciation and amortization of fixed assets and investment properties	53,672,369,328	47,601,139,395
03	- Provisions	(742,664,567)	1,240,415,017
05	- Gains/losses from investment activities	(2,293,194,467)	(2,813,003,054)
06	- Interest expense	14,626,890,038	11,770,819,626
07	- Other adjustments	(588,000,000)	526,775,905
08	3. Operating profit before changes in working capital	105,700,133,055	119,523,681,119
09	- Increase/decrease in receivables	11,378,536,911	(2,883,985,924)
10	- Increase/decrease in inventories	(2,442,503,718)	276,579,212
11	- Increase/decrease in payables (excluding interest payable/ corporate income tax payable)	(195,795,612)	14,340,524,124
12	- Increase/decrease in prepaid expenses	266,163,382	(9,705,638,999)
14	- Interest paid	(14,427,144,094)	(12,551,163,374)
15	- Corporate income tax paid	(7,980,615,605)	(9,376,539,034)
16	- Other receipts from operating activities	323,701,152	24,300,000
17	- Other payments on operating activities	(1,547,151,000)	(878,680,000)
20	Net cash flows from operating activities	91,075,324,471	98,769,077,124
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(100,717,806,850)	(132,907,207,529)
23	2. Loans and purchase of debt instruments from other entities	-	(65,153,701,392)
24	3. Collection of loans and resale of debt instrument of other entities	31,153,701,392	7,000,000,000
27	4. Interest and dividend received	2,635,508,782	2,214,813,576
30	Net cash flows from investing activities	(66,928,596,676)	(188,846,095,345)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	69,442,723,659	124,947,014,715
34	2. Repayment of principal	(35,348,081,539)	(27,699,461,226)
36	3. Dividends or profits paid to owners	(47,080,411,151)	(34,123,217,552)
40	Net cash flows from financing activities	(12,985,769,031)	63,124,335,937


STATEMENT OF CASH FLOWS


Year 2025

(Indirect method)

Code ITEM	Note	Year 2025	Year 2024
		VND	VND
50	Net cash flows in the year	11,160,958,764	(26,952,682,284)
60	Cash and cash equivalents at beginning of the year	30,986,613,786	57,939,296,070
61	Effect of exchange rate fluctuations	-	-
70	Cash and cash equivalents at end of the year	3 <u>42,147,572,550</u>	<u>30,986,613,786</u>


 Nguyen Thi Ngoc Hieu
 Preparer


 Nguyen Thi Phuong
 Chief Accountant


 Lưu Xuân Tâm
 General Director



Bac Ninh, 05 February 2026

NOTES TO FINANCIAL STATEMENTS*Year 2025***1 . GENERAL INFORMATION****Form of ownership**

Bac Ninh Clean Water Joint Stock Company was converted from Bac Ninh Water Supply and Drainage One Member Limited Liability Company according to Decision No. 500/QD-UBND dated December 03, 2015, issued by the People's Committee of Bac Ninh province, approving the equitization of Bac Ninh Water Supply and Drainage One Member Limited Liability Company.

The Company operates under Business Registration Certificate No. 2300108311, initially issued by the Bac Ninh Department of Planning and Investment on December 29, 2006, and amended for the fifth time on March 14, 2025.

The Company's head office is located at: No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province.

The Company's registered charter capital is VND 375,493,910,000, with the actual contributed charter capital as of December 31, 2025 being VND 375,493,910,000; equivalent to 37,549,391 shares, with the par value of VND 10,000 per share.

The number of employees of the Company as of December 31, 2025 is: 294 people (as of December 31, 2024: 301 people).

Business activities

Main business activities of the Company include:

- Production and distribution of clean water;
- Investment consulting for the construction of specialized water supply works;
- Construction and installation of civil, industrial, water supply and drainage, waste treatment, electrical works and 35KV power transmission lines and substations;
- Manufacturing and trading of machinery, equipment and supplies in the water sector;
- Real estate investment and business;
- Design of water supply and drainage systems for urban and rural areas, treatment of wastewater and domestic water;
- Design of water supply and drainage systems for civil and industrial construction, and water environment projects;
- Master planning, architectural design for interior and exterior spaces of civil and industrial works;
- Consulting on construction quality supervision and surveying;
- Technical inspection and analysis (including water quality testing, inspection, calibration, and measurement of water meters).

The Company's operation in the year that affects the Financial Statements

In 2025, input costs for water business operations increased while selling prices remained unchanged compared to the previous year, leading to a significant decline in water business efficiency. In addition, the Company incurred substantial costs from repair and installation activities provided to customers free of charge, which led to a significant loss in the construction and installation segment. Consequently, the Company's operating results for the year 2025 decreased sharply compared to the previous year.

Information of Joint ventures of the Company is provided in Note No 4.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 01 January and ends as at 31 December.

The Company maintains its accounting records in Vietnam Dong (VND).

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated December 22, 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated March 21, 2016 issued by Ministry of Finance, amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Accounting estimates

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for doubtful debts;
- Provision for devaluation of inventory;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated Corporate Income Tax.

Such estimates and assumptions are continually evaluated. They are based on past experience and other factors, including expectations of future events that may have a material impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No.210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.5 . Cash and cash equivalents

Cash comprises of cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.6 . Financial investments

Investments in subsidiaries, joint ventures or associates are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the year as followings:

- Investments in subsidiaries, joint ventures or associates: provision for loss investments shall be made based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date.
- Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.7 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables shall be classified into short-term receivables or long-term receivables on the financial statements according to their remaining terms at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating the possible losses.

2.8 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory less the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the year: The value of work in progress is recorded for each construction project which is incomplete or revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.9 . Fixed assets and Finance lease fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Subsequent measurement after initial recognition

If these costs aument future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the [Separate] Statement of Income in the year in which the costs are incurred.

Fixed assets are depreciated using the straight-line method over their estimated useful life as follows:

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 15 years
- Vehicles, Transportation equipment	05 - 30 years
- Office equipment and furniture	05 - 08 years
- Other fixed assets	05 - 25 years

2.10 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

2.11 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to Statement of Income on a straight-line basis over the period of the lease.

2.12 . Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. In case of contributing money or assets to BCC, they should be recorded as receivables. During the process of operating BCC, depending on the form of BCC, the accounting methods are adopted as follows:

a) BCC in the form of jointly controlled assets

All parties in the joint venture shall simultaneously do the bookkeeping in their own accounting system and present in its Financial Statements with the following items:

- Its share of the jointly controlled assets, classified according to the nature of the assets;
- Separate liabilities incurred by each party;
- The joint liability arising from the joint venture's operations must be borne jointly with other joint venture partners;
- Its share of income from the sale or use of the joint venture's output, together with its share of expenses incurred by the joint venture;
- Expenses incurred directly in respect of its joint venture.

For fixed assets or investment properties contributed to BCC without transferring ownership from the contributor to the joint venture, the receiver shall record them as assets held under trust without recording any increase in assets or owner's equity; the contributor shall not recognize a decrease in assets in the accounting system but shall record the location of assets.

For fixed assets or investment properties contributed to BCC and transferred from the sole ownership of contributor to the joint ownership, during the construction of jointly controlled assets, the contributor shall record a decrease in assets and a corresponding increase in construction in progress in the accounting system. After putting jointly controlled assets into operation, each party shall record an increase in their assets in accordance with their purposes of use and corresponding to their shares in assets. The excess of the fair value of shared assets and the construction expense is recorded as other income (if profit) or other costs (if loss).

Accordingly, when the jointly controlled assets come into operation, BCC shall turn into the form of jointly controlled operations. Each party may take a share of the output or revenue from the use of jointly controlled assets and may bear a share of expenses incurred in accordance with the contract's agreement.

b) BCC in the form of jointly controlled operations

All parties in the joint venture shall simultaneously do the bookkeeping in their own accounting system and present in its Financial Statements with the following items:

- Assets contributed by it and controlled by the joint venture;
- Its share of liabilities incurred;
- Its share of income from the sale of goods or rendering of services by the joint venture;
- Its share of expenses incurred.

All parties shall share revenue from the sale of goods or rendering of services and share joint expenses according to the BCC's agreements.

2.13 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses include:

- Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dong and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line method over a period not exceeding three years.
- Fixed asset repair expenses are costs incurred for regular repairs of the water supply system, which are one-time expenses of significant value. They are allocated using the straight-line method over a period not exceeding three years.
- Land clearance compensation refers to compensation payments for land clearance related to annually leased land plots that the Company is using. These costs are allocated using the straight-line method over the corresponding lease period.
- Infrastructure rental expenses are advance payments for infrastructure that the Company manages and operates for business purposes. They are allocated using the straight-line method over the corresponding lease period.
- Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis over their estimated useful life of 12 months.

2.14 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the Financial statements according to their remaining terms at the reporting date.

2.15 . Borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.16 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.17 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, etc. which are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.18 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.19 . Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

Revenue from rendering of services:

- The percentage of completion of the transaction at the Balance sheet date can be measured reliably.

Financial income

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The amount of the revenue can be measured reliably.

2.20 . Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.21 . Financial expenses

Items recorded into financial expenses comprise interest expenses which are recorded by the total amount arising in the year without offsetting against financial income.

2.22 . Corporate income tax

- a) Current corporate income tax expenses and deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the period and current corporate income tax rate.

b) Tax incentives policies

The Company is entitled to a preferential corporate income tax rate of 10% for a period of fifteen (15) years. In addition, the Company is granted an exemption from corporate income tax for the first four (4) years and a 50% reduction of the tax payable for the subsequent nine (9) years, starting from 2020. These tax incentives are applicable to income generated from the production and business activities of the investment project for the surface water treatment plant with a designed capacity of 30,000 m³ per day, pursuant to Investment Policy Decision No. 668/QD-UBND dated November 13, 2018 issued by the People's Committee of Bac Ninh Province. Accordingly, 2025 represents the second year in which the Company benefits from the 50% reduction of corporate income tax payable, calculated based on the preferential tax rate of 10% for the aforementioned activities.

The Company is entitled to a preferential corporate income tax rate of 10% for a period of fifteen (15) years. In addition, the Company is granted an exemption from corporate income tax for the first four (4) years and a 50% reduction of the tax payable for the subsequent nine (9) years, commencing from 2025. These tax incentives are applicable to income derived from the production and business activities of the investment project for the surface water treatment plant with a capacity of 45,000 m³ per day, pursuant to Investment Policy Decision No. 197/QD-UBND dated June 29, 2021 issued by the People's Committee of Bac Ninh Province.

c) Current corporate income tax rate

For the fiscal year ended as at 31 December 2025, the Company applies the corporate income tax rate:

- The preferential tax rate of 10% is applicable to income derived from the production and business activities of the following projects: the investment project for the surface water treatment plant with a capacity of 30,000 m³ per day, pursuant to Investment Policy Decision No. 668/QD-UBND dated November 13, 2018 issued by the People's Committee of Bac Ninh Province, and the investment project for the surface water treatment plant with a capacity of 45,000 m³ per day, pursuant to Investment Policy Decision No. 197/QD-UBND dated June 29, 2021 issued by the People's Committee of Bac Ninh Province.
- Tax rate 20% for the remaining activities.

2.23 . Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the year.

2.24 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.25 . Segment information

The Company operates in the fields of water supply, construction and installation, installation of facilities serving water supply activities, and asset leasing in Bac Ninh province. In which, revenue from water supply accounts for over 95% of the Company's total operating revenue. Therefore, the Company does not prepare segment reports by business segment and geographical segment.

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2025</u>	<u>01/01/2025</u>
	VND	VND
Cash on hand	242,393,136	182,733,419
Demand deposits	5,278,420,510	4,272,121,463
Cash equivalents	36,626,758,904	26,531,758,904
	<u><u>42,147,572,550</u></u>	<u><u>30,986,613,786</u></u>

As of December 31, 2025, cash equivalents are term deposits 03 months deposited at commercial banks with interest rates from 1.5%/year to 4.75%/year.

4 . FINANCIAL INVESTMENTS

a) Held to maturity investments

As of December 31, 2025, investments held to maturity were valued at VND 45,150,800,000, comprising 6-month term deposits held at commercial banks with interest rates ranging from 2.9%/year to 5.2%/year.

b) Investments in equity of other entities

All investments in joint ventures and associates at both the beginning and the end of the financial year relate to the Company's investment in Bac Ninh Water Supply Company Limited. Bac Ninh Water Supply Company Limited is headquartered in Bac Ninh City and operates in the field of investment and construction of water supply and drainage works, as well as the extraction, treatment and distribution of water. The Company's ownership interest and voting rights in this entity are 60% and 50%, respectively.

Bac Ninh Water Supply Co., Ltd. is a two-member limited liability company and a jointly controlled business entity established under a Joint Venture Agreement between the Company and Long Phuong Group Joint Stock Company, signed on November 5, 2022. The purpose of this joint venture is to invest in the construction, management, operation, and business activities of the "Investment in the Construction of a Surface Water Plant in Bac Ninh City (with a capacity of 45,000 m³/day) and transmission pipelines" (hereinafter referred to as "the Project").

During the implementation process, there were problems with land allocation and lease arrangements. On July 21, 2022, the Department of Planning and Investment of Bac Ninh province issued Document No. 1425/KHDT-KTDN, providing opinions on the land lease for the Project. Accordingly, the land allocation and land lease will be carried out under the name of the joint venture comprising Long Phuong Group Joint Stock Company and Bac Ninh Clean Water Joint Stock Company, rather than Bac Ninh Water Supply Co., Ltd. (the project enterprise)

On December 29, 2022, the Company and Long Phuong Group Joint Stock Company signed Memorandum of Agreement No. 635/BBTN/LPG-BANIWACO on the implementation method of the investment project for the construction of a surface water plant in Bac Ninh city with a capacity of 45.000m³/day and night and transmission pipelines, whereby:

- Both parties agreed to use the legal status, official seal, tax code and legal representative of Bac Ninh Clean Water Joint Stock Company for the project investment and construction activities.

- Any activities already implemented before the signing date of this memorandum of agreement do not need to be re-implemented, but the necessary transfer procedures must be completed for the Joint Venture.

The Joint Venture comprising Bac Ninh Clean Water Joint Stock Company, Long Phuong Group Joint Stock Company, and Bac Ninh Water Supply Co., Ltd. has reached written agreements regarding the transfer of rights, obligations, and payment of expenses incurred by Bac Ninh Water Supply Co., Ltd. for the Project.

In 2023, Bac Ninh Water Supply Co., Ltd. transferred part of the investment costs to the Joint Venture by issuing value-added tax (VAT) invoices, with a total transferred amount of VND 3,801,286,503 (including 8% VAT). The remaining value, which primarily includes site clearance expenses, amounts to approximately VND 23,773,659,700. Bac Ninh Water Supply Co., Ltd. is currently in the process of completing the necessary transfer procedures.

In addition to the aforementioned investment cost transfers, Bac Ninh Water Supply Co., Ltd. did not engage in any other investment or business activities during the year.

5 . SHORT TERM TRADE RECEIVABLES

	31/12/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>	18,688,393,928	(77,937,492)	17,064,730,971	(77,937,492)
Receivables from water users in Bac Ninh area	16,916,792,900	-	15,374,129,943	-
Receivable from customers for construction	1,771,601,028	(77,937,492)	1,690,601,028	(77,937,492)
	18,688,393,928	(77,937,492)	17,064,730,971	(77,937,492)

6 . SHORT TERM PREPAYMENTS TO SUPPLIERS

	31/12/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>	19,834,663,146	(21,811,608)	2,047,557,114	(21,811,608)
Quyết Thang Company Limited	8,795,439,571	-	-	-
Minh Nghia Construction Company Limited	4,076,425,005	-	-	-
Viet Architecture Joint Stock Company	-	-	425,763,906	-
Thang Long Investment and Building Foundation Joint Stock Company	-	-	554,352,000	-
Thang Long Bac Ninh Fire Protection and Firefighting Joint Stock Company	1,650,281,050	-	-	-
Others	5,312,517,520	(21,811,608)	1,067,441,208	(21,811,608)
	19,834,663,146	(21,811,608)	2,047,557,114	(21,811,608)

7 . OTHER SHORT TERM RECEIVABLES

	31/12/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Receivables from interest of deposit, loan	596,185,632	-	938,499,947	-
Advances	145,500,000	-	600,125,000	-
Mortgages	145,857,254	-	-	-
Excess compensation and site clearance amount (i)	112,066,550	(112,066,550)	406,340,432	(406,340,432)
Others	285,934,800	(285,934,800)	734,325,485	(734,325,485)
	<u>1,285,544,236</u>	<u>(398,001,350)</u>	<u>2,679,290,864</u>	<u>(1,140,665,917)</u>

(i) This amount represents site clearance compensation for the surplus compensated land of the Cho - Gia Binh Water Plant Project. On December 17, 2018, the People's Committee of Bac Ninh Province issued Decision No. 4859/UBND-XDCB, granting the Company permission to utilize this surplus land for the construction and expansion of a water pumping station with an area of 500 m².

8 . DOUBTFUL DEBTS

	31/12/2025		01/01/2025	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
Receivable from customers	77,937,492	-	77,937,492	-
- People's Committee of Tri Qua Commune - Thuan Thanh	47,575,492	-	47,575,492	-
- Others	30,362,000	-	30,362,000	-
Other receivables	398,001,350	-	1,140,665,917	-
- Receivable from Gia Binh Project Management Board	112,066,550	-	406,340,432	-
- Receivables from Bac Ninh drainage and wastewater treatment project	285,934,800	-	285,934,800	-
- Mr. Vu Duc Do	-	-	448,390,685	-
Payment in advance	21,811,608	-	21,811,608	-
- Vietnam Water and Environment Investment Corporation - JSC	15,693,608	-	15,693,608	-
- Others	6,118,000	-	6,118,000	-
	<u>497,750,450</u>	<u>-</u>	<u>1,240,415,017</u>	<u>-</u>

9 . INVENTORIES

	31/12/2025		01/01/2025	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw material	11,413,288,803	-	10,043,757,222	-
Tools, supplies	14,823,113	-	14,823,113	-
Work in process (i)	9,276,916,682	-	8,203,944,545	-
	<u>20,705,028,598</u>	<u>-</u>	<u>18,262,524,880</u>	<u>-</u>

(i) Construction in progress as at 31 December 2025 represents costs incurred in relation to the Project "Handling the water intake culvert incident through the dike at KM44+555", with details as follows:

The water intake culvert through the dike at KM44+555 is a component of the Bac Ninh City surface water treatment plant, which the Company has temporarily taken over from the Bac Ninh Provincial Department of Construction (as detailed in Note 17). Long Phuong Group was the construction contractor under a BT arrangement, and at the time the incident occurred, the component was still within the warranty period for which Long Phuong Group remained responsible. However, in order to ensure the continued operation of the plant, the People's Committee of Bac Ninh Province issued a directive assigning the remediation of the water intake culvert incident through the dike at KM44+555 to Bac Ninh Clean Water Joint Stock Company, with details as follows:

- Location: Que Vo District, Bac Ninh Province;
- Purpose: Addressing the incident at the KM44+555 culvert of the Ta Duong dike in Que Vo District, Bac Ninh Province, as per Official Dispatch No. 533/UBND-NN dated March 2, 2018, issued by the People's Committee of Bac Ninh Province on the policy for handling water intake incidents at KM44+555 of the Ta Duong dike.
- Funding source: Self-funded by Bac Ninh Clean Water Joint Stock Company;
- Source of capital for implementation: Undertaken by Bac Ninh Clean Water Joint Stock Company.
- Status of the project as of December 31, 2025: The project has been completed and accepted for use.

However, the Company has sent many official dispatches to the People's Committee of Bac Ninh province but the obligation for incident handling costs has not yet determined. According to Official Dispatch No. 16/TTr-NV4 dated September 29, 2020 of the Inspectorate of the People's Committee of Bac Ninh province to the Department of Agriculture and Rural Development, the following recommendations were made: Long Phuong Group is responsible for covering reasonable expenses according to regulations to address the water leakage incident at the water intake culvert through the Ta Duong dike K44+555 Que Vo; the state budget will cover additional costs for reinforcement and upgrades.

According to Decision No. 3162/UBND-XDCB dated October 28, 2022, the People's Committee of Bac Ninh province assigned the Department of Agriculture and Rural Development to preside over and coordinate with the Department of Finance, the Department of Construction, Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company to specifically determine that the incident-handling costs shall be borne by Long Phuong Group and the portion of expenses shall be covered by the state budget, to reimburse Bac Ninh Clean Water Joint Stock Company.

On January 21, 2025, the Department of Agriculture and Rural Development issued Official Letter No. 147/SNN-CCTL to the Chairman of the People's Committee of Bac Ninh Province regarding the implementation of Decision No. 3162/UBND-XDCB dated October 28, 2022 of the People's Committee of Bac Ninh Province. Accordingly, the Department had previously issued Official Letter No. 1888/SNN-CCTL reporting on the determination of costs incurred for the remediation of the water leakage incident at the water intake culvert through the Ta Duong dyke at K44+555. The letter concluded that the proposed design and construction solutions for handling the incident did not involve any additional work items beyond the scope of the original project; therefore, there was no basis for using funding from the State budget.

On April 22, 2025, the People's Committee of Bac Ninh Province issued Decision No. 1648/UBND-NN in response to Official Letter No. 147/SNN-CCTL from the Department of Agriculture and Rural Development. Accordingly, the People's Committee instructed the Departments of Finance, Construction, Agriculture and Environment, together with Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company, to coordinate with Bac Ninh Clean Water Joint Stock Company in urging Long Phuong Group to arrange the necessary funding to cover the costs of remediation of the water leakage incident at the water intake culvert through the Ta Duong dyke at K44+555, in accordance with applicable regulations.

On July 14, 2025, Bac Ninh Clean Water Joint Stock Company issued Official Letter No. 570/CV-NSBN to Long Phuong Group Joint Stock Company regarding the settlement of costs incurred for the remediation of the water leakage incident at the water intake culvert through the Ta Duong dyke at KM44+555.

On 29 August 2025, Long Phuong Group Joint Stock Company issued Official Letter No. 2908/CV.DA-LNG in response to Bac Ninh Clean Water Joint Stock Company regarding the allocation of costs incurred for the remediation of the water leakage incident at the water intake culvert through the Ta Duong dyke at KM44+555.

As at the date of issuance of these financial statements, Bac Ninh Clean Water Joint Stock Company is continuing to urge Long Phuong Group Joint Stock Company and is working with the relevant competent authorities regarding the settlement of funding for the remediation of this incident.

10 . LONG-TERM ASSET IN PROGRESS

	31/12/2025	01/01/2025
	VND	VND
- Construction investment project of Bac Ninh City surface water plant project (capacity 45,000m ³ /day) and transmission pipeline (i)	29,299,718,199	189,293,156,956
- Company Headquarters Project (ii)	46,721,867,493	3,712,063,198
- Yen Phong II A industrial zone pipeline project	-	6,152,498,929
- Others	3,034,508,085	1,188,662,521
	<u>79,056,093,777</u>	<u>200,346,381,604</u>

Additional information for projects:

(i) Investment Project for Bac Ninh City Surface Water Plant (Capacity: 45,000 m³/day) and Transmission Pipeline

- Investor: Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company (for details on business cooperation, see note 17).
- Purpose: The project aims to develop the Bac Ninh Surface Water Plant (capacity: 45,000 m³/day) and the transmission pipeline to supply and supplement clean water for residential, commercial, and industrial use in Bac Ninh City, Que Vo District, parts of Tien Du District, and surrounding areas.
- Total investment: VND 624,258,493,358;
- Construction site: Bong Lai commune, Que Vo Town, Bac Ninh province.
- Investment capital: Bac Ninh Clean Water Joint Stock Company contributes 60% of capital and Long Phuong Group Joint Stock Company contributes 40% of capital.
- Project scale: Investment in construction of surface water plant with capacity of 45.000 m³/day and night and transmission pipeline.
- Project status as at 31 December 2025: The raw water pumping station, raw water transmission pipeline, treatment area, medium-voltage power line, and transformer substations of 400 kVA and 1.000 kVA have been completed and accepted. The remaining work items are currently in progress.

(ii) Raw Water Line and Sedimentation Lake Project

- Investor: Bac Ninh Clean Water Joint Stock Company.
- Purpose: Development of a corporate office and service facilities on the designated land in Hoa Long Commune, Bac Ninh City, Bac Ninh Province.
- Total investment: VND 98.566.745.000;
- Construction site: Hoa Long commune, Bac Ninh city, Bac Ninh province.
- Investment capital: Company's own funds and loans from credit institutions
- Project scale: Construction of office buildings, a multi-purpose building, technical infrastructure, and auxiliary structures in compliance with relevant standards, regulations, and approved construction permits.
- Project status as at December 31, 2025: The Project has been commenced and is currently under implementation.

BAC NINH CLEAN WATER JOINT STOCK COMPANY

No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

Financial Statements

For the fiscal year ended as at 31/12/2025

11 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	97,232,856,777	42,813,709,374	603,377,551,045	6,146,287,082	193,711,220,236	943,281,624,514
- Purchase in the year	-	195,000,000	919,390,909	125,064,815	-	1,239,455,724
- Completed construction investment	272,101,907	665,968,475	26,782,966,794	520,882,579	178,012,388,413	206,254,308,168
- Decrease adjustment based on the final project settlement	-	(22,317,000)	-	-	(351,390,907)	(373,707,907)
Ending balance of the year	97,504,958,684	43,652,360,849	631,079,908,748	6,792,234,476	371,372,217,742	1,150,401,680,499
Accumulated depreciation						
Beginning balance	61,529,172,338	23,855,871,978	221,614,096,576	3,787,071,724	122,578,353,553	433,364,566,169
- Depreciation for the year	4,924,226,977	3,523,388,042	27,377,935,638	836,452,603	16,464,077,504	53,126,080,764
Ending balance of the year	66,453,399,315	27,379,260,020	248,992,032,214	4,623,524,327	139,042,431,057	486,490,646,933
Net carrying amount						
Beginning balance	35,703,684,439	18,957,837,396	381,763,454,469	2,359,215,358	71,132,866,683	509,917,058,345
Ending balance	31,051,559,369	16,273,100,829	382,087,876,534	2,168,710,149	232,329,786,685	663,911,033,566

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 24,331,502,353.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 30,092,266,827.

12 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
Historical cost			
Beginning balance	38,000,000	7,790,798,850	7,828,798,850
Ending balance of the year	<u>38,000,000</u>	<u>7,790,798,850</u>	<u>7,828,798,850</u>
Accumulated amortization			
Beginning balance	38,000,000	5,552,870,686	5,590,870,686
- Amortization for the year	-	546,288,564	546,288,564
Ending balance of the year	<u>38,000,000</u>	<u>6,099,159,250</u>	<u>6,137,159,250</u>
Net carrying amount			
Beginning balance	-	2,237,928,164	2,237,928,164
Ending balance	<u>-</u>	<u>1,691,639,600</u>	<u>1,691,639,600</u>

In which:

- Carrying amount of intangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 758,865,887
- Cost of fully amortized intangible fixed assets but still in use at the end of the year: VND 38,000,000

13 . PREPAID EXPENSES

	31/12/2025 VND	01/01/2025 VND
a) Short-term		
Dispatched tools and supplies	174,957,836	4,166,709
Others	9,242,043	118,313,133
	<u>184,199,879</u>	<u>122,479,842</u>
b) Long-term		
Dispatched tools and supplies	1,037,911,910	1,897,114,090
Prepayment of infrastructure rental (i)	9,892,575,409	8,888,120,000
Repair costs	389,296,487	2,777,536,828
Compensation and site clearance costs (ii)	6,695,454,813	6,852,068,377
Others	2,898,003,492	826,286,235
	<u>20,913,242,111</u>	<u>21,241,125,530</u>

(i) Prepayment for leasing water supply pipeline systems from Long Phuong Group Joint Stock Company. According to the contract, the infrastructure lease term is 27 years, from 2018 to 2045. Additionally, prepaid lease payments for sedimentation tanks, culverts through the dike, pumping stations, and other related infrastructure owned by the State are recorded, with an infrastructure lease term of 50 years.

(ii) Reflects compensation and site clearance costs for the Company's leased land lots and is allocated according to the land lease term on the lease contracts.

14 . TRADE PAYABLES

	31/12/2025		01/01/2025	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<i>Others</i>	9,261,807,436	9,261,807,436	39,976,940,936	39,976,940,936
Viwaseen 3 Joint Stock Company	-	-	31,756,548,083	31,756,548,083
Thien Hai Thai Nguyen Company Limited	2,104,605,600	2,104,605,600	-	-
Tan Tien Technical Services Company	1,293,905,103	1,293,905,103	-	-
DNP Hawaco Joint Stock Company	1,177,792,920	1,177,792,920	32,891,400	32,891,400
Urban Architecture Construction and Development Investment Joint Stock Company	-	-	2,434,623,727	2,434,623,727
Song Cau Water Supply Joint Stock Company	-	-	1,070,571,600	1,070,571,600
Others	4,685,503,813	4,685,503,813	4,682,306,126	4,682,306,126
	<u>9,261,807,436</u>	<u>9,261,807,436</u>	<u>39,976,940,936</u>	<u>39,976,940,936</u>

BAC NINH CLEAN WATER JOINT STOCK COMPANY
No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

Financial Statements
For the fiscal year ended as at 31/12/2025

15 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	564,145,270	4,248,174,120	4,807,806,220	-	4,513,170
Corporate income tax	-	3,606,124,576	6,360,143,329	7,980,615,605	-	1,985,652,300
Personal income tax	-	147,334,824	916,683,986	794,075,577	-	268,999,035
Natural resource tax	-	68,859,686	1,040,376,473	1,005,872,884	-	103,363,275
Land tax and land rental	-	-	526,660,816	370,855,711	155,601,930	-
Other taxes	-	-	3,000,000	3,000,000	-	-
Drainage fee payable (i)	-	42,594,643,441	22,913,249,122	-	-	65,507,892,563
Fees, charges and other payables	-	575,781,543	3,119,767,785	3,474,589,096	-	220,960,232
	-	47,556,889,340	39,128,055,631	18,436,815,093	155,601,930	68,091,380,575

(i) The drainage fee is a local charge collected on behalf of the authorities. The Company is currently awaiting guidance from the competent authority for submission to the state budget.

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

16 . ACCRUED EXPENSES

	31/12/2025	01/01/2025
	VND	VND
- Accrued interest expenses	279,090,829	79,344,885
- Production electricity	1,056,034,973	1,068,867,822
- Deduct Tet gifts in advance	622,000,000	632,000,000
- Provision for advance payment of construction costs for the repair of the water intake culvert through the dike at KM44+555	1,028,628,000	-
- Other accrued expenses	100,000,000	41,400,000
	3,085,753,802	1,821,612,707

17 . OTHER PAYABLES

	31/12/2025	01/01/2025
	VND	VND
a) Short-term payables		
- Payable to Long Phuong Group Joint Stock Company (i)	8,195,016,920	4,641,163,177
+ <i>Must pay depreciation</i>	5,085,879,056	1,532,748,064
+ <i>Joint Venture Profits Remaining Payable</i>	3,109,137,864	3,108,415,113
- Project support payable (ii)	7,339,924,290	3,527,462,145
- Payable to construction team	1,736,231,667	1,794,000,270
- Others	2,834,416,064	2,617,929,199
	<u>20,105,588,941</u>	<u>12,580,554,791</u>
b) Long-term payables		
- Project support payable (iii)	48,643,564,579	52,456,026,724
- Long Phuong Group Joint Stock Company:	44,225,633,978	39,127,064,597
+ <i>Business cooperation Project "Investment in construction of Bac Ninh surface water plant, capacity of 30,000 m3/day and night" (i)</i>	20,308,911,523	21,841,659,563
+ <i>Business cooperation with Bac Ninh Surface Water Plant (Capacity 45.000 m3/day and night) (iii)</i>	23,916,722,455	17,285,405,034
	<u>92,869,198,557</u>	<u>91,583,091,321</u>
c) In which: Other payables to related parties		
- Long Phuong Group Joint Stock Company	52,420,650,898	43,768,227,774
- People's Committee of Bac Ninh province	55,983,488,869	55,983,488,869
	<u>108,404,139,767</u>	<u>99,751,716,643</u>

Additional information on other payables:

(i) Business cooperation contract No. 2805/HĐKTKD/LP-BANIWWACO dated May 28, 2020 and contract appendix No. 01/PLHĐ dated August 30, 2022, with the following details:

- Participating parties: Bac Ninh Clean Water Joint Stock Company (Party A) and Long Phuong Group Joint Stock Company (Party B);

- Purpose of business cooperation: To cooperate in the project "Investment in the construction of the Bac Ninh surface water treatment plant, with a capacity of 30,000 m3/day" in Bong Lai commune, Que Vo town, Bac Ninh province.

- Scope of cooperation: The two parties sign this business cooperation contract to agree on the management, operation, and business of the surface water treatment plant project with a capacity of 30,000 m3/day, located in Bong Lai commune, Que Vo district, Bac Ninh province, after the project's construction investment is completed according to Joint Venture Agreement No. 01/2018/TTLĐ dated October 24, 2018, and Investment Policy Decision No. 668/QĐ-UBND dated November 13, 2018, specifically:

+ It is agreed that Bac Ninh Clean Water Joint Stock Company will manage, operate, conduct business, account for, and declare the revenue and expenses of the Project in accordance with the provisions of this contract and relevant laws, ensuring maximum efficiency and capacity utilization of the Project.

+ The distribution of benefits will be agreed upon by the parties in this Contract.

+ The parties and/or one of the parties have the right to inspect/control and request the assigned assets to report on the management, operation, and business of the Project periodically or on an ad hoc basis (periodically on a quarterly basis).

Additional information regarding other payables and liabilities (continued):

- Method of capital contribution, capital contribution schedule, and profit distribution:

+ Party A contributes 60% of the total investment and Party B contributes 40% of the total investment in VND; the value of the Asset will be recorded according to the Project's final settlement upon completion;

+ The profits from the Project's business will be distributed as follows: Bac Ninh Clean Water Joint Stock Company will receive 60% of the after-tax profit; Long Phuong Group Joint Stock Company will receive 40% of the after-tax profit.

- Regarding depreciation of project assets:

+ Party A shall deduct depreciation of Project assets from production costs in accordance with relevant laws. The depreciation period for assets is 20 (twenty) years from the date of signing the Handover Minutes for commissioning.

+ Party A is responsible for paying Party B the depreciation amount equivalent to 40% of the annual depreciation value.

- The amount actually contributed by Long Phuong Group Joint Stock Company to implement this project is VND 32,710,578,718, and the amount repaid (total accumulated depreciation) up to December 31, 2025 is VND 11,635,292,647.

- The project is currently in operation and business; the business performance results for the period under the Business Cooperation Agreement are as follows:

	Năm 2025	Năm 2024
	VND	VND
Revenue from business cooperation contract	37,187,012,277	49,971,448,000
Cost of business cooperation contract	21,528,454,704	23,632,652,786
Corporate income tax expense	782,927,879	1,316,939,761
Profit from business cooperation contract	<u>14,875,629,694</u>	<u>25,021,855,453</u>

Profit sharing according to capital contribution ratio:

Depreciation payable for the period: VND 1,532,748,040.

(ii) Amounts lent by the People's Committee of Bac Ninh Province to the Company for the purpose of implementing the Clean Water Treatment Plant Projects. The annual repayment amount shall be calculated by and notified in writing from the People's Committee of Bac Ninh Province to the Company.

(iii) Business Cooperation Contract No. 0107/HĐBCC/LP-BANIWACO dated 01 July 2023, of which the principal terms are as follows:

- Participating parties: Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company;

- Purpose of the business cooperation: To jointly invest in the construction of the Bac Ninh Surface Water Treatment Plant (capacity of 45,000 cubic metres per day) and the associated transmission system, and thereafter operate the project for profit;

- Scope of cooperation: Cooperation in investment, construction, and business of the project "Investment in the construction of the Bac Ninh City surface water treatment plant (capacity of 45,000 m³/day) and transmission pipeline";

Additional information regarding other payables and liabilities (continued):

- Participating parties, proportions, forms, and schedule of capital contribution:

+ Bac Ninh Clean Water Joint Stock Company contributed 60% of the total investment capital in VND;

+ Long Phuong Group Joint Stock Company contributed 40% of the total investment capital in VND;

+ Capital contribution: For each advance payment and settlement, the parties shall base their actions on the advance payment request documents and payment request documents for completed work that have been inspected and approved, as submitted by the Project Management Board. After confirmation by the parties, they shall be responsible for disbursing the contributed capital according to the capital contribution ratio in this Contract.

- Proposed distribution of business results:

+ Bac Ninh Clean Water Joint Stock Company will receive 60% of the after-tax profit;

+ Long Phuong Group Joint Stock Company will receive 40% of the after-tax profit.

- Investment status of the Project: See details in section (i), explanatory Notes 10.

- The business results and profit distribution for the year are as follows:

	<u>Year 2025</u>
	VND
Revenue from business cooperation contract	39,663,100,759
Cost of business cooperation contract	31,941,241,346
Corporate income tax expense	-
Profit from business cooperation contract	<u><u>7,721,859,413</u></u>
Profit sharing according to capital contribution ratio:	
- Bac Ninh Clean Water Joint Stock Company	4,633,115,648
- Long Phuong Group Joint Stock Company	3,088,743,765

Depreciation payable for the period: VND 3,553,130,992.

BAC NINH CLEAN WATER JOINT STOCK COMPANY
No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

Financial Statements
For the fiscal year ended as at 31/12/2025

18 . BORROWINGS AND FINANCE LEASE LIABILITIES

	01/01/2025		During the year		31/12/2025	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Current portion of long-term debts	25,502,793,849	25,502,793,849	25,502,014,981	25,502,793,848	25,992,014,982	25,992,014,982
- Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch	9,025,376,000	9,025,376,000	9,665,331,043	9,025,376,000	9,665,331,043	9,665,331,043
- Shinhan Bank Vietnam Limited - Thai Nguyen Branch	13,563,910,849	13,563,910,849	14,967,918,938	13,563,910,848	14,967,918,939	14,967,918,939
- Ministry of Finance	2,913,507,000	2,913,507,000	1,358,765,000	2,913,507,000	1,358,765,000	1,358,765,000
	<u>25,502,793,849</u>	<u>25,502,793,849</u>	<u>25,992,014,981</u>	<u>25,502,793,848</u>	<u>25,992,014,982</u>	<u>25,992,014,982</u>
b) Long-term borrowings						
- Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch	155,341,112,727	155,341,112,727	48,683,293,412	25,519,301,405	178,505,104,734	178,505,104,734
- Shinhan Bank Vietnam Limited - Thai Nguyen Branch	101,729,331,350	101,729,331,350	38,836,056,449	27,127,821,696	113,437,566,103	113,437,566,103
- Ministry of Finance	15,142,376,200	15,142,376,200	1,358,765,000	4,272,272,000	12,228,869,200	12,228,869,200
- Bac Ninh Development Investment Fund	-	-	2,135,922,360	-	2,135,922,360	2,135,922,360
	<u>272,212,820,277</u>	<u>272,212,820,277</u>	<u>91,014,037,221</u>	<u>56,919,395,101</u>	<u>306,307,462,397</u>	<u>306,307,462,397</u>
Amount due for settlement within 12 months	(25,502,793,849)	(25,502,793,849)	(25,992,014,981)	(25,502,793,848)	(25,992,014,982)	(25,992,014,982)
Amount due for settlement after 12 months	<u>246,710,026,428</u>	<u>246,710,026,428</u>			<u>280,315,447,415</u>	<u>280,315,447,415</u>

Financial Statements

Bac Ninh Clean Water Joint Stock Company
No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

For the fiscal year ended as at 31/12/2025

Details of long-term borrowings as of 31 December 2025:

No.	Lender/Credit contract	Credit limit	Loan purpose	Maturity	Interest rate	Outstanding balance as at 31/12/2025	Current portion of long-term debts	Form of guarantee (ii)
1	Joint stock Commercial Bank for Investment and Development of Viet Nam – Kinh Bac Branch					178,505,104,734	9,665,331,043	
1.1	Credit contract No. 02/2022/4474024/HSTD dated January 20, 2022	40,000,000,000	Investment in a pipeline from Cho town Water Plant (Yen Phong District) to Tu Son Town, providing additional water supply for the wards of Dong Ky, Dong Nguyen, and Tan Hong	96 months	A fixed interest rate of 7.1% per year for the first 24 months from the initial disbursement. Thereafter, a floating rate will apply, equivalent to the 12-month postpaid savings rate at BIDV plus a minimum margin of 3.3%, adjusted every 6 months.	21,368,722,012	7,201,331,043	Asset-backed collateral
1.2	Credit limit contract No. 01/4474024/2024/HSTD dated January 26, 2024 (i)	427,000,000,000	Construction investment of the Bac Ninh City Surface Water Plant with a capacity of 45,000 m ³ /day and its transmission pipeline.	180 months	A fixed interest rate of 7.7% per year for the first 2 years from the initial disbursement. Afterward, it will be adjusted every 6 months based on the 12-month postpaid savings rate at BIDV plus a margin of 2.5%.	149,667,769,722	-	Asset-backed collateral
1.3	Credit limit contract No. 01/2025/4474024/HSTD dated June 30, 2025	23,375,000,000	Construction investment of a water supply pipeline network for the remaining areas of Bang An, Que Tan, and Phu Luong wards, Que Vo town	120 months	Loan interest rate: 7.0%/year fixed for the first year from the date of first disbursement. After that, a floating interest rate will be applied as per the Bank's regulations, adjusted every 6 months on the 1st of the first month of the interest rate adjustment period according to the principle: Loan interest rate equals (=) BIDV's listed personal savings interest rate for 24-month term + 2.4%/year	7,468,613,000	2,464,000,000	Asset-backed collateral

Bac Ninh Clean Water Joint Stock Company

Financial Statements

No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

For the fiscal year ended as at 31/12/2025

Details of long-term borrowings as of 31 December 2025:

No.	Lender/Credit contract	Credit limit	Loan purpose	Maturity	Interest rate	Outstanding balance as at 31/12/2025	Current portion of long-term debts	Form of guarantee (ii)
2	Shinhan Bank Vietnam Limited - Thai Nguyen Branch							
2.1	Limit Loan Agreement No. SHBVN/TN/2022/HĐTD-0070 dated February 22, 2022	146,985,000,000	Investment in the construction of a clean water transmission pipeline from the Bac Ninh Surface Water Plant to Bac Ninh City.	120 months	For the amount disbursed in the first year (no later than December 21, 2022), a fixed interest rate of 7.59% per year applies throughout the entire loan term. For the amount disbursed in the second year (no later than December 21, 2023), a fixed interest rate of 7.79% per year applies throughout the entire loan term.	113,437,566,103	14,967,918,939	Asset-backed collateral
2.1	Credit limit contract No SHBVN/TN/2025/HĐTD-0043 dated April 25, 2025	75,000,000,000	Invest in the construction of a management and operation building for the water supply system and booster pump station.	10 years since the first disbursement	Floating interest rate, applying the 3-month MFC reference rate plus (+) a margin of 0.3%/year, and adjusted every 3 months throughout the loan term	25,272,145,603	1,404,008,090	Asset-backed collateral
3	Ministry of Finance							
3.1	Sub-loan agreement dated December 16, 2009	3,009,909 USD	Investing in a project to build a water supply system for Cho town, Yen Phong district and Gia Binh town, Gia Binh district	20 years from the date of the first disbursement, including a 3-year grace period	Interest is waived during the grace period, after which an interest rate of 3% per annum will apply	14,364,791,560	1,358,765,000	Asset-backed collateral

Bac Ninh Clean Water Joint Stock Company

Financial Statements

No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

For the fiscal year ended as at 31/12/2025

Details of long-term borrowings as of 31 December 2025:

No.	Lender/Credit contract	Credit limit	Loan purpose	Maturity	Interest rate	Outstanding balance as at 31/12/2025	Current portion of long-term debts	Form of guarantee (ii)
4	Bac Ninh Provincial Investment and Development Fund	47,283,000,000	Invest in the construction of a surface water treatment plant in Bac Ninh City (capacity 45,000 m3/day) and a transmission pipeline	15 years from the date the borrower received the first disbursement, including a one-year grace period	Interest rate for the term is 5% per year	2,135,922,360	-	Asset-backed collateral
4.1	Credit limit contract No 17/2025/HĐTD dated March 06, 2025					2,135,922,360	-	
	Total					306,307,462,397	25,992,014,982	

Note:

(i): The loan was undertaken by the joint venture of Bac Ninh Clean Water Joint Stock Company and Long Phuong Group Joint Stock Company from the Joint Stock Commercial Bank for Investment and Development of Vietnam to finance the project.

(ii) Loans from banks have been secured by mortgage/pledge/guarantee contracts with the lender and fully registered as secured transactions.

BAC NINH CLEAN WATER JOINT STOCK COMPANY

No. 57 Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

Financial Statements

For the fiscal year ended as at 31/12/2025

19 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital VND	Development and investment funds VND	Retained earnings VND	Total VND
Beginning balance of previous year	375,493,910,000	-	35,187,435,785	410,681,345,785
Profit/loss for previous year	-	-	51,279,213,733	51,279,213,733
Deduction from Development investment fund	-	550,000,000	(550,000,000)	-
Deduction from Bonus and welfare fund	-	-	(514,218,233)	(514,218,233)
Dividend payment	-	-	(29,288,524,980)	(29,288,524,980)
Payment of the after-tax profit of Bac Ninh Surface Water Plant to the state budget	-	-	(4,834,692,572)	(4,834,692,572)
Remuneration to the non-executive Board of Directors	-	-	(288,000,000)	(288,000,000)
Ending balance of previous year	375,493,910,000	550,000,000	50,991,213,733	427,035,123,733
Beginning balance of current year	375,493,910,000	550,000,000	50,991,213,733	427,035,123,733
Profit/loss for current year	-	-	34,977,760,546	34,977,760,546
Deduction from Development investment fund	-	2,500,000,000	(2,500,000,000)	-
Deduction from Bonus and welfare fund	-	-	(1,410,802,582)	(1,410,802,582)
Dividend payment	-	-	(39,802,354,460)	(39,802,354,460)
Payment of the after-tax profit of Bac Ninh Surface Water Plant to the state budget	-	-	(7,278,056,691)	(7,278,056,691)
Remuneration to the Board of Directors	-	-	(588,000,000)	(588,000,000)
Ending balance of this year	375,493,910,000	3,050,000,000	34,389,760,546	412,933,670,546

According to the Resolution of the General Meeting of Shareholders No. 01/2025/NQ-ĐHCD dated April 18, 2025, the Company announces the distribution of profits in 2024 as follows:

	Amount
	VND
Accumulated undistributed profits up to 2024	51,279,213,733
Development and investment fund	2,500,000,000
Bonus and welfare fund	1,410,802,582
Remuneration of Non-Executive Directors	288,000,000
Paying the post-tax profit of Bac Ninh surface water plant to the state budget	7,278,056,691
Dividend payment (equal to 10.6% of charter capital)	39,802,354,460

b) Details of owner's invested capital

	Rate	Ending of the year	Rate	Beginning of the year
	(%)	VND	(%)	VND
People's Committee of Bac Ninh province	49.06%	184,202,790,000	49.06%	184,202,790,000
Long Phuong Group Joint Stock Company	35.06%	131,652,450,000	35.06%	131,652,450,000
Others	15.88%	59,638,670,000	15.88%	59,638,670,000
	<u>100%</u>	<u>375,493,910,000</u>	<u>100%</u>	<u>375,493,910,000</u>

c) Capital transactions with owners and distribution of dividends and profits

	Year 2025	Year 2024
	VND	VND
Owner's contributed capital	375,493,910,000	375,493,910,000
- At the beginning of year	375,493,910,000	375,493,910,000
- At the ending of year	<u>375,493,910,000</u>	<u>375,493,910,000</u>
Distributed dividends and profit:		
- Dividend payable at the beginning of the year	-	-
- Dividend payable in the year:	39,802,354,460	34,123,217,552
+ Dividend payable from last year's profit	39,802,354,460	34,123,217,552
- Dividend paid in cash in the year	(39,802,354,460)	(34,123,217,552)
+ Dividend paid from last year's profit	(39,802,354,460)	(34,123,217,552)
- Dividend payable at the end of the year	<u>-</u>	<u>-</u>

d) Share

	31/12/2025	01/01/2025
Quantity of Authorized issuing stocks	37,549,391	37,549,391
Quantity of issued shares and full capital contribution	37,549,391	37,549,391
- Common stocks	37,549,391	37,549,391
Quantity of outstanding shares in circulation	37,549,391	37,549,391
- Common stocks	37,549,391	37,549,391
Par value per stock (VND)	10,000	10,000

e) Company's funds

	31/12/2025	01/01/2025
	VND	VND
Development investment fund	3,050,000,000	550,000,000
	<u>3,050,000,000</u>	<u>550,000,000</u>

20 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Operating asset for leasing

The Company is currently leasing the operation of Lim Town Water Plant, Tien Du District, Bac Ninh Province to Bac Ninh Infrastructure Investment and Construction Joint Stock Company under Contract No. 04A/HDKT dated November 4, 2005; Contract No. 09/2016/PLHDKT dated November 5, 2006 and Contract Appendix No. 247/2017/PLHDKT dated May 25, 2017. According to these contracts and their appendices:

- The operating lease term extends until the end of 2028;
- The rental fee until 2028 is VND 72,143,412 per month (including 10% VAT).

b) Operating leased assets

The Company has the following operating lease commitments:

1. The Company has been temporarily assigned by the People's Committee of Bac Ninh province to manage and operate the Bac Ninh Surface Water Plant under Official Dispatch No. 1826/UBND-XDCB dated June 12, 2017. Additionally, the Company is allowed to allocate funds for the management and operation of the Bac Ninh City Surface Water Plant according to Official Dispatch No. 1391/UBND-KTTH and Official Dispatch No. 241/UBND-KTTH, both dated April 20, 2022, with an annual amount of VND 16.118.205.030 from 2022. The total project value, as recorded in the handover minutes, is VND 341,755,744,270.

2. The Company has signed land lease contracts with the State for production and business purposes. According to these contracts, the Company is required to pay annual land rental fees until the contract expiration dates, in accordance with current State regulations. Information on the leased land lots is as follows:

No.	Land plot location	Area (m2)	Lease term (years)
1	Land plot in Hoa Long commune - Headquarters	7,686.8	Until 2067
2	Land plot at Dai Phuc - transmission pipeline	5,399.4	Until 2067
3	Thua Town, Luong Tai	3,573.9	Until 2067
4	Land plot in Lai Ha, Luong Tai	634.4	Until 2067
5	Land plot in Lang Ngam (Gia Binh)	7,948.3	Until 2060
6	Hoa Long land (Wells)	125.0	Until 2063
7	Hoa Long land (MR water supply system)	1,221.9	Until 2057
8	Land plot in Cho Yen Phong town	16,502.5	Until 2064
9	Land plot in Thua town, Luong Tai	7,237.2	Until 2067
10	Land plot in Pho Moi town, Que Vo, Bac Ninh	2,058.1	Until 2067
11	Land lot in Dap Cau Ward, Bac Ninh City	9,951.8	Until 2067
12	Land plot in Noi Due, Tien Du, Bac Ninh	5,537.8	Until 2067
13	Land lot in Thi Cau ward, Bac Ninh city	575.0	Until 2067
14	Land plot in Thua town, Luong Tai	4,370.7	Until 2067
15	Land area in Dap Cau ward and Thi Cau ward, Bac Ninh	1,268.0	Until 2067

No.	Land plot location	Area (m2)	Lease term (years)
16	Land plot in Hoa Long, Bac Ninh city	1,549.7	Until 2067
17	Land in Hoa Long and Dap Cau, Bac Ninh	10,946.6	Until 2067
18	Land plot in Bong Lai, Que Vo, Bac Ninh	6,264.0	Until 2069
19	Land plot in Cho town, Yen Phong	7,526.2	Until 2067

21 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2025	Year 2024
	VND	VND
Revenue from clean water business	292,286,702,111	282,512,970,690
Revenue from construction activities	3,042,356,340	3,684,261,299
Revenue from asset leasing	787,019,040	787,019,040
	296,116,077,491	286,984,251,029
In which: Revenue from related parties <i>details as in Notes 33.</i>	378,000,000	-

22 . COSTS OF GOODS SOLD

	Year 2025	Year 2024
	VND	VND
Cost of clean water business	215,158,521,035	193,762,855,092
Cost of construction activities	5,981,897,707	2,534,087,668
Cost of rented assets	1,467,031,816	1,467,031,824
	222,607,450,558	197,763,974,584

23 . FINANCE INCOME

	Year 2025	Year 2024
	VND	VND
Interest income, interest from loans	2,293,194,467	2,813,003,054
	2,293,194,467	2,813,003,054

24 . FINANCIAL EXPENSES

	Year 2025	Year 2024
	VND	VND
Interest expenses	14,626,890,038	11,770,819,626
	14,626,890,038	11,770,819,626

25 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2025	Year 2024
	VND	VND
Raw materials	938,703,065	909,057,854
Labour expenses	14,320,323,383	13,257,786,101
Depreciation expenses	792,918,394	797,673,929
Tax, Charge, Fee	1,245,648,266	1,805,237,248
Provision expenses/ Reversal of provision expenses	(742,664,567)	1,240,415,017
Expenses of outsourcing services	2,121,086,430	1,633,519,383
Other expenses in cash	2,126,889,087	485,246,501
	<u>20,802,904,058</u>	<u>20,128,936,033</u>

26 . OTHER INCOME

	Year 2025	Year 2024
	VND	VND
Drainage and environmental protection fees	783,926,727	1,070,204,392
Land fee reduction	155,805,105	-
Other income	2,083,333	-
	<u>941,815,165</u>	<u>1,070,204,392</u>

27 . OTHER EXPENSE

	Year 2025	Year 2024
	VND	VND
Fines	281,341,729	-
Other expense	7,768,017	6,194,002
	<u>289,109,746</u>	<u>6,194,002</u>

28 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2025	Year 2024
	VND	VND
Total profit before tax	41,024,732,723	61,197,534,230
Increase	889,594,716	246,526,102
- <i>Ineligible expenses</i>	889,594,716	246,526,102
Taxable income	41,914,327,439	61,444,060,332
- <i>Taxable income subject to corporate income tax at a rate of 10% and exempt from tax payable</i>	4,633,115,650	-
- <i>Taxable income subject to corporate income tax at a rate of 10%, with a 50% reduction in tax payable.</i>	9,395,134,542	15,803,277,128
- <i>Taxable income subject to corporat income tax at a rate of 20%</i>	27,886,077,246	45,640,783,204
Corporate income tax expense before exemption and reduction	6,980,040,469	10,708,484,353
Corporate income tax exemption and reduction	(933,068,292)	(790,163,856)
Current corporate income tax expense	<u>6,046,972,177</u>	<u>9,918,320,497</u>
Tax paid on behalf of the joint venture	313,171,152	526,775,905
Tax payable at the beginning of year	3,606,124,576	2,537,567,208
Tax paid in the year	(7,980,615,605)	(9,376,539,034)
Corporate income tax payable at the end of the year from main business activities	<u>1,985,652,300</u>	<u>3,606,124,576</u>

29 . BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share that can be distributed to shareholders owning common stock of the Company is based on the following figures:

	<u>Year 2025</u>	<u>Year 2024</u>
	VND	VND
Net profit after tax	34,977,760,546	51,279,213,733
Adjustment	(588,000,000)	(288,000,000)
- <i>Remuneration of the non-executive Board of Directors members</i>	<i>(588,000,000)</i>	<i>(288,000,000)</i>
Profit distributed for common stocks	34,389,760,546	50,991,213,733
Average number of outstanding common shares in circulation in the year	37,549,391	37,549,391
Basic earnings per share	<u>916</u>	<u>1,358</u>

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Financial Statements.

As at December 31, 2025, the Company dose not have shares with dilutive potential for earnings per share.

30 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	<u>Year 2025</u>	<u>Year 2024</u>
	VND	VND
Raw materials	24,648,731,951	20,209,135,292
Labour expenses	69,669,932,937	68,887,129,187
Depreciation and amortisation	53,672,369,328	47,601,139,395
Expenses of outsourcing services	64,870,608,830	54,204,429,466
Other expenses in cash	32,364,348,274	26,592,309,579
	<u>245,225,991,320</u>	<u>217,494,142,919</u>

31 . FINANCIAL INSTRUMENTS

Financial risk management

Financial risks that the Company may face risks including: market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Management of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company may face with the market risk such as: changes in prices, exchange rates and interest rates.

Interest rate risk

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2025				
Cash and cash equivalents	41,905,179,414	-	-	41,905,179,414
Trade receivables, other receivables	19,497,999,322	-	-	19,497,999,322
Loans	45,150,800,000	-	-	45,150,800,000
	<u>106,553,978,736</u>	<u>-</u>	<u>-</u>	<u>106,553,978,736</u>
As at 01/01/2025				
Cash and cash equivalents	30,803,880,367	-	-	30,803,880,367
Trade receivables, other receivables	18,525,418,426	-	-	18,525,418,426
Loans	76,304,501,392	-	-	76,304,501,392
	<u>125,633,800,185</u>	<u>-</u>	<u>-</u>	<u>125,633,800,185</u>

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

BAC NINH CLEAN WATER JOINT STOCK COMPANY

Financial Statements

No. 57 Ngo Gia Tu Street, Vu Ninh Ward, Bac Ninh Province

For the fiscal year ended as at 31/12/2025

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2025				
Borrowings and debts	25,992,014,982	280,315,447,415	-	306,307,462,397
Trade payables, other payables	29,367,396,377	92,869,198,557	-	122,236,594,934
Accrued expenses	3,085,753,802	-	-	3,085,753,802
	<u>58,445,165,161</u>	<u>373,184,645,972</u>	<u>-</u>	<u>431,629,811,133</u>
As at 01/01/2025				
Borrowings and debts	25,502,793,849	246,710,026,428	-	272,212,820,277
Trade payables, other payables	52,557,495,727	91,583,091,321	-	144,140,587,048
Accrued expenses	1,821,612,707	-	-	1,821,612,707
	<u>79,881,902,283</u>	<u>338,293,117,749</u>	<u>-</u>	<u>418,175,020,032</u>

The Company believes that risk level of loan repayment is or controllable. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

32 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting year, which would require adjustments or disclosures to be made in the Separate financial statements.

33 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Company are as follows:

Related parties	Relation
People's Committee of Bac Ninh province	Major shareholder
Long Phuong Group Joint Stock Company	Major shareholder
Bac Ninh Water Supply Company Limited	Associate company
Mr. Nguyen Tien Long	Chairman of the Board of General Directors
Mr. Luu Xuan Tam	Vice Chairman of the Board of Directors, General Director
Mrs. Vu Thi Chuyen	Member of the Board of Directors
Mr. Nguyen Dinh Ton	Member of the Board of Directors, Deputy General Director
Mr. Nguyen Xuan Quyet	Member of the Board of Directors <i>Appointed on May 01, 2024</i>
Mr. Ngo Minh Chau	Member of the Board of Directors <i>Resigned on May 01, 2024</i>
Mr. Tran Khanh Tinh	Deputy General Director
Mrs. Tran Thi Huong	Head of the Supervisory Board
Mr. Nguyen Hong Thien	Member of the Supervisory Board <i>Appointed on May 01, 2024</i>
Mrs. Nguyen Thi Mai Lan	Member of the Supervisory Board
Mr. Nguyen Van An	Member of the Supervisory Board <i>Resigned on May 01, 2024</i>

In addition to the information with related parties presented in the above Notes, during the year, the Company has transactions with related parties as follows:

	Year 2025	Year 2024
	VND	VND
Sales of goods and rendering of services	378,000,000	-
Long Phuong Group Joint Stock Company	378,000,000	-
Purchase goods and services	187,941,612	173,695,027
Long Phuong Group Joint Stock Company	187,941,612	164,987,027
Bac Ninh Water Supply Joint Stock Company No.2	-	8,708,000
Surface water plant operation rental fee	16,118,205,030	16,118,205,030
People's Committee of Bac Ninh province	16,118,205,030	16,118,205,030
Dividend payment from business operations	33,480,655,440	24,636,708,720
People's Committee of Bac Ninh province	19,525,495,740	14,367,817,620
Long Phuong Group Joint Stock Company	13,955,159,700	10,268,891,100
Paying profits from Bac Ninh surface water plant	7,278,056,691	4,834,692,572
People's Committee of Bac Ninh province	7,278,056,691	4,834,692,572
Depreciation repayment from joint venture activities	1,532,748,040	1,532,748,040
Long Phuong Group Joint Stock Company	1,532,748,040	1,532,748,040
Return on joint venture operations	9,038,272,889	20,464,423,031
Long Phuong Group Joint Stock Company	9,038,272,889	20,464,423,031
Receive business cooperation capital contribution	11,666,698,853	4,619,307,238
Long Phuong Group Joint Stock Company	11,666,698,853	4,619,307,238

Transactions with other related parties:

	Year 2025	Year 2024
	VND	VND
Manager's income		
Mr. Nguyen Tien Long	300,000,000	120,000,000
Mrs. Vu Thi Chuyen	144,000,000	84,000,000
Mr. Luu Xuan Tam	913,868,671	726,602,815
Mr. Nguyen Dinh Ton	767,727,123	673,637,961
Mr. Nguyen Xuan Quyet	144,000,000	56,000,000
Mr. Tran Khanh Tinh	621,291,668	342,942,882
Mr. Ngo Minh Chau	-	28,000,000
Mrs. Tran Thi Huong	412,798,345	331,537,029
Mr. Nguyen Van An	-	20,000,000
Mrs. Nguyen Thi Mai Lan	310,213,729	253,200,027
Mr. Nguyen Hong Thien	96,000,000	40,000,000

In addition to the above related parties' transactions, other related parties did not have any transactions during the year and have no balance at the end of the accounting period with the Company.

34 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2025, which was audited by AASC Auditing Firm Company Limited.

Nguyen Thi Ngoc Hieu
Preparer

Bac Ninh, 05 February 2026

Nguyen Thi Phuong
Chief Accountant



Luu Xuan Tam
General Director

