**THE SOCIALIST REPUBLIC OF VIETNAM**
**Independence – Freedom – Happiness**

# REGULATION
## ON FINANCIAL MANAGEMENT
## CA MAU WATER SUPPLY JOINT STOCK COMPANY

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JOINT STOCK COMPANY

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Draft

# REGULATION ON FINANCIAL MANAGEMENT

## Chapter I
## GENERAL PROVISIONS

### Article 1. Scope of regulation and subject of application

1. The Financial Management Regulation shall apply internally to Ca Mau Water Supply Joint Stock Company, managers, and employees in the management of capital, assets, revenue, and expenses, in order to closely control financial activities, enhance transparency, optimize profits, distribute and establish funds, and preserve capital.

2. All financial activities of the Company shall fall within the scope of this Regulation. If this Regulation does not provide corresponding provisions, the applicable laws shall apply.

### Article 2. Interpretation of terms

For consistency, words and terms used in this Regulation shall bear the meanings assigned to the Company's Charter, or shall be defined and interpreted as follows:

1. "Law on Enterprises" means Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam dated June 17, 2020, and its amendments, supplements, or replacements from time to time.

2. "Law on Accounting" means the Law on Accounting No. 88/2015/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on November 20, 2015, and its amendments, supplements, or replacements from time to time.

3. "Charter capital" means the total amount of capital contributed or committed by all shareholders within a specific period and recorded in the Company's Charter.

4. "Mobilized capital" means capital mobilized by the Company through the issuance of shares, bonds, and contributed capital from joint ventures or

associates, and loans from credit institutions or domestic and foreign individuals and organizations to serve business operations.

5. "Economic and financial transactions" are activities that increase or decrease assets and sources of assets of the Company.

6. "Accounting period" means a specific period of time determined from the moment the Company commences accounting entries to the moment of closing the accounting book for the preparation of financial statements.

7. "Accounting records" are documents and storage devices that reflect economic and financial transactions that have arisen and been completed, serving as the basis for making accounting books.

8. "Accounting documents" are accounting records, accounting books, financial statements, administrative accounting reports, audit reports, accounting inspection reports, and other documents relevant to accounting.

9. Joint-stock company: Ca Mau Water Supply Joint Stock Company (the Company) is organized and managed in the form of a joint-stock company, which is an independent company in which the State holds more than 50% of charter capital or voting shares, operating under the Law on Enterprises, having legal entity status, and practicing independent economic accounting.

10. Other enterprises: Enterprises are organized and established under the Law on Enterprises.

11. The Company's Charter: The Charter of Ca Mau Water Supply Joint Stock Company and its amendments, supplements, or replacements from time to time.

12. "Force majeure" is an event that occurs in an objective manner, which is unforeseeable and insurmountable despite all possible necessary measures within permitted capabilities having been taken, thereby rendering the continued execution of business activities impossible.

13. "Laws" means codes, laws, decrees, circulars, and guiding documents with legal validity issued by competent state authorities and applied within the Company.

14. General Meeting of Shareholders means the highest decision-making body of the Company, including all shareholders entitled to vote (ordinary shareholders, voting preference shareholders, and other shareholders in accordance with the Company's Charter).

15. "Legal representative" means the individual who represents the Company to exercise the rights and obligations arising from the Company's transactions, and other rights and obligations as prescribed by law.

16. Representatives and managers of the Company: Representative means the authorized representatives for the state capital invested in the enterprise, being

appointed in writing by the owner to exercise rights and obligations at the Company. Managers means the Chairman of the Board of Directors, members of the Board of Directors, the General Director, and other managers as prescribed in the Company's Charter.

17. Outstanding debts mean receivable debts that are past their payment due dates, which the Company cannot recover despite having applied such handling measures as comparison, confirmation, and demand for payment, as well as payable debts that are past their payment due dates but have not yet been settled by the Company

18. Accounts receivable means amounts of money owed to the Company by customers, organizations, individuals, employees, and other entities after using water supply services, advance receivables, or other services, but which remain unpaid.

19. Liabilities means the debts that the Company is obligated to pay to relevant parties, including suppliers, banks, the State budget, employees, shareholders, etc., comprising short-term, medium-term, and long-term liabilities.

20. Bad debts mean receivable debts that are overdue for over 06 months, which the Company cannot recover despite having applied such handling measures as comparison, confirmation, and demand for payment, but remain uncollectible, including receivables relating to customers in breach of contract, dissolved authorities, enterprises, organizations, project management boards, etc.

21. Provision for bad debts means the provision for the estimated loss in value of overdue accounts receivable, or receivables that are not yet overdue but are likely to be uncollectible due to the financial incapacity of customers.

22. Non-cash payment: Non-cash payment documents include payment documents via banks *(such as checks, payment orders, payment authorization, collection orders, collection authorization, bank cards, money transfers, collection and disbursement services, and other payment services provided to customers)* and other non-cash payment documents. The Company authorizes its managers and employees to make advance payments to suppliers using their personal bank accounts, which will subsequently be reimbursed by the Company.

23. Company's assets means all types of assets formed during the Company's business activities, comprising current assets and long-term assets.

a) Current assets include cash, cash equivalents, short-term financial investments, short-term receivables, inventories, and other current assets.

b) Long-term assets include long-term receivables, fixed assets, investment properties, long-term assets in progress, long-term financial investments, and other long-term assets.

24. Corporate capital sources means financial resources, including cash or asset values, that are invested, mobilized, and utilized to serve the production and business activities of the enterprise, comprising liabilities (short-term and long-term) and owner's equity.

25. Internal expenditures mean regulations on the contents, forms, and spending limits of incurred expenses with the aim of expenditure management, cost savings, profit enhancement, and utilizing saved funds effectively and for the correct purposes.

26. Dividend means net profit distributed to each share in cash or other assets.

**Article 3. Basis for the formulation of the Financial Management Regulation**

1. Law on Accounting No. 88/2015/QH13 dated November 20, 2015.

2. Law on Securities No. 54/2019/QH14 dated November 26, 2019.

3. Law on Enterprises No.59/2020/QH14 dated June 17, 2020.

4. Law on Management and Investment of State Capital in Enterprises No. 68/2025/QH15 dated June 14, 2025.

5. Relevant decrees, circulars, and implementing regulations thereof.

6. The Charter of Ca Mau Water Supply Joint Stock Company.

## Chapter II
## MANAGEMENT AND USES OF CAPITAL

**Article 4. Charter capital**

1. The charter capital of the Company is the total par value of shares recorded in the Enterprise Registration Certificate of the Company.

2. During production and business operations, the Company shall have the right to restructure its charter capital in accordance with legal regulations and the Company's Charter.

3. The Company must monitor, manage, and account for its charter capital in accordance with legal regulations and the Company's Charter.

**Article 5. Capital mobilization and other lawful capital sources**

1. The Company shall raise capital from any domestic and foreign organizations and individuals to serve its production, business, and investment activities, provided that the forms and procedures of such capital mobilization comply with legal regulations.

2. Principles of capital mobilization: Capital mobilization must align with the Company's medium and long-term development strategies, investment plans, annual business plans, and annual investment plans.

3. The capital mobilization plan must ensure debt solvency; the person approving the capital mobilization plan shall be responsible for supervising and inspecting to guarantee that the raised capital is utilized effectively and for the right purposes.

4. The capital mobilization from domestic and foreign organizations and individuals must ensure the efficient use of the mobilized capital, and the full repayment of principal and interest to creditors as committed.

5. The capital mobilization from foreign individuals and organizations shall be executed in accordance with the Government's regulations on the management of foreign loans.

6. Capital mobilization through the issuance of bonds shall be carried out in accordance with the laws. The authority to decide the capital mobilization through the issuance of additional shares, bonds, and warrants shall be exercised in accordance with the provisions of the Company's Charter, and the authorization and decentralization of the General Meeting of Shareholders and the Board of Directors.

Authority for capital mobilization in the form of loans from domestic and foreign economic organizations and individuals: The Board of Directors shall decide on capital mobilization plans for each project with the mobilization value of less than 35% of the total asset value of the Company recorded in the most recent audited financial statements. Loan contracts between the Company and related persons shall comply with the provisions of the Law on Enterprises and the Company's Charter.

In case the capital mobilization equals 35% or more of the Company's total asset value, the Board of Directors shall report to the General Meeting of Shareholders for consideration and approval.

7. Capital contributions to joint ventures and associates, and receipt of investments.

8. Self-supplemented capital appropriated from after-tax profits and established funds includes the development and investment funds, the bonus and welfare fund, other funds, and capital for basic construction investment. These are accumulated sources from undistributed profits, which are used for reinvestment and expansion of the Company's business operations.

9. Accounts payable to customers, suppliers, employees, the State budget, etc., that are not yet due for payment.

10. Capital recovered from the transfer or liquidation of fixed assets, current assets no longer in use, technologically obsolete assets, recovered scrap materials, etc., to be utilized for more effective production and business purposes.

11. Capital collected from revenue on behalf of the State means the capital source that the State allows the Company to retain from proxy collections after fulfilling all tax obligations.

12. Other lawful capital sources.

Apart from the above sources, the Company may raise other capital sources for business development and shall take responsibility for such mobilization. Capital mobilization must comply with provisions of law and the Company's Charter, and must not change the ownership structure of the Company.

**Article 6. Responsibility for the management and use of capital and funds for accurate purposes**

1. Owner's representative agency shall manage the State capital portion in the enterprise through the state capital representative. The management and investment of state capital in the enterprise shall be carried out in accordance with the provisions of the Law on Management and Investment of State Capital in Enterprises; any matters not provided by the Law on Management and Investment of State Capital in Enterprises shall comply with the Law on Enterprises and other relevant laws.

2. The state capital representative shall report the owner's representative agency prior to voting at the General Meeting of Shareholders or meetings of the Board of Directors on the following matters:

a) The Company's development orientation, including business lines, objectives, and missions.

b) The promulgation, amendment, or supplementation of the Charter; increase or decrease of the charter capital.

c) The election, dismissal, or removal of members of the Board of Directors, the General Director, and the Head of the Supervisory Board.

d) Reorganization, dissolution, or filing for bankruptcy of the Company.

đ) Decide on investment activities, transfer of investment projects, and investment capital of the enterprise in joint-stock companies, and multi-member limited liability companies in case the value exceeds 50% of the owner's equity, or exceeds 50% of the owner's investment capital where the owner's equity is lower than the owner's investment capital. The owner's equity and the owner's investment capital shall be determined based on the quarterly financial statements or annual financial statements at the most recent time.

e) Decide on the distribution of after-tax profits for the establishment of funds in accordance with Clause 4, Article 23 of this Regulation. The portion of profits and cash dividends distributed corresponding to the ratio of shareholdings or capital contributions held by the State in the enterprise shall be remitted to the State budget. The distribution of stock dividends and the utilization of distributed after-tax profits corresponding to the ratio of shareholdings or capital contributions held by the State to supplement state capital in the enterprise shall be carried out in accordance with the Government's regulations.

3. Owner's representative authorities shall direct state capital representatives to provide opinions on promulgating, amending the Company's Charter, and financial regulations prescribed by the Law on Enterprises and the Government's regulations.

4. Owner's representative authorities shall direct the State capital representative in formulating annual business plans, including the contents prescribed by the Government to elevate the efficiency of business operations.

5. The Company shall manage its investment capital at joint-stock companies and limited liability companies through its capital representative as prescribed by the Law on Enterprises and the Company's Charter.

6. Corporate reorganization shall be implemented in accordance with laws on Enterprises, laws on securities, and relevant laws.

7. The transfer of investment projects and investment capital shall be implemented in accordance with the Law on Management and Investment of State Capital in Enterprises and relevant laws.

8. Credit institutions shall raise capital, provide loans, and guarantees in accordance with the laws on credit institutions.

9. The Board of Directors and the General Director are responsible for managing and utilizing capital flexibly for business activities to ensure efficiency and proper purposes, in accordance with applicable laws and the Company's internal regulations, with the aim of earning profits while safeguarding the legitimate interests of stakeholders, including creditors, customers, and employees under executed agreements and contracts.

10. The Board of Directors and the General Director are responsible for establishing, managing, and utilizing funds in accordance with this Regulation. The appropriation, management, and use of funds must comply with applicable regulations, accounting standards, safety principles, proper purposes, and efficiency.

**Article 7. Corporate capital preservation and growth**

1. State capital representatives shall be responsible for capital preservation and growth within their duties and powers.

2. Capital preservation and growth shall be assessed on the basis of the Company's operational efficiency in accordance with the Law on Management and Investment of State Capital in Enterprises and its guiding legal documents.

a) Capital preservation shall be carried out by the following measures:

- Comply with the principles on management and investment of state capital in enterprises as prescribed in Article 5 of the Law on Management and Investment of State Capital in Enterprises.

- Strictly implement regulations on the management and utilization of capital and assets, profit distribution, other financial management regulations, and accounting regimes in accordance with the provisions of law.

- Purchase asset insurance as required by law.

- Timely handle the value of asset losses, irrecoverable receivables, and make provisions for risks as prescribed by law.

- Other measures as prescribed by law.

b) Annually, the Company must assess the level of capital preservation using the following evaluation methodology:

- After making provisions as prescribed, if the Company's business results as recorded in the annual financial statements show no loss or a profit, the Company shall be determined to have preserved its capital.

- In case where, after making provisions as prescribed, the Company's business results as recorded in the annual financial statements show a loss (including cases with remaining accumulated losses), the Company shall be determined to have not yet preserved its capital.

3. Annually, the state capital representative shall report to the owner's representative agency on fluctuations in the owner's equity for tracking and supervision. In cases where the owner's equity has not yet been preserved, the representative must clearly explain the causes and remedial measures, and shall be held responsible for the financial situation of the Company.

4. Other regulations shall comply with the Law on Management and Investment of State Capital in Enterprises and relevant laws.

5. The Company shall be responsible for preserving capital through the following measures:

a) Strictly implement regulations on the management and utilization of capital and assets, profit distribution, other financial management regulations, and accounting regimes in accordance with the provisions of law.

b) Timely handle the value of asset losses, irrecoverable receivables, and make provisions for risks as prescribed by law.

- Provisions for asset impairment include provisions for devaluation of trading securities, provisions for impairment of investments in other entities, provisions for doubtful receivables, provisions for devaluation of inventories, provisions for impairment of biological assets, etc.

- Provisions for payables include provisions for product and goods warranties, provisions for construction work warranties, provisions for corporate restructuring, other provisions for payables, etc.

- Other risk provisions as required by law.

c) Other measures for preserving the owner's equity in accordance with legal regulations.

d) The appropriation and utilization of provisions for asset impairment, provisions for payables, and other provisions, as well as the evaluation of foreign exchange differences, shall be implemented in accordance with the guidance of the Ministry of Finance.

đ) The carry-forward of losses (if any) shall comply with the provisions of the Law on Corporate Income Tax.

e) The General Director shall be responsible to the Board of Directors for implementing the capital preservation measures. The General Director shall organize capital preservation assessments, analyze capital losses and potential risks of capital loss, and report the findings to the Board of Directors on a quarterly and annual basis.

**Article 8. Outward investment**

1. The Company has the right to use capital and assets under its management to make outward investments in accordance with laws when approved by the state owner and the General Meeting of Shareholders. This must align with the Company's development strategy, master plan, and business plans, while ensuring the principles of efficiency, capital preservation, and growth, and not affecting the operational objectives of the Company.

2. The Company may use capital and assets to make outward investment in accordance with the Company's Charter and law.

a) Outward investment involving land must comply with land law regulations.

b) Outward investment must ensure principles of efficiency, capital preservation, and development, and increase income, while not affecting the Company's production and business tasks.

3. Forms of outward investment of the Company include:

a) Purchase government bonds, bonds, and shares to earn interest.

b) Contribute capital to establish joint-stock companies, limited liability companies with two or more members, partnerships, joint ventures, affiliated companies; contribute capital to business cooperation contracts without forming a new legal entity.

c) Purchase shares or capital contributions in joint-stock companies, limited liability companies, joint ventures, and partnerships.

d) Acquire other companies.

đ) Other investment forms as prescribed by law.

4. Authority to decide on the form of outward investment is exercised in accordance with the Company's Charter or separate regulations.

5. The Company must not invest in economic sectors managed or owned by parents, spouses, or children of the Chairman of the Board of Directors, Head of the Supervisory Board, the Board of Management, or the Chief Accountant.

6. Capital investment into other enterprises shall be implemented in accordance with the legal provisions, and separate regulations shall be issued when such investment arises.

**Article 9. Sale and transfer of the Company's capital in other enterprises**

1. Upon the approval of the State owner and the General Meeting of Shareholders, the Company has the right to transfer investments in other enterprises in accordance with the Enterprise Law, Securities Law, and current legal regulations.

2. The transfer of the Company's capital must follow the enacted Charter and laws on enterprises and securities, and other relevant provisions, ensuring market principles, transparency, openness, and the maximum capital recovery.

**Article 10. Management of receivables and payables**

The Company must maintain subsidiary ledgers to track liabilities by each specific counterparty; the total receivables, the amount collected, and the remaining balance receivable; the total payables, the amount paid, and the remaining balance payable; and manage, track, reconcile, and recover debts; analyze debt solvency, and propose handling for bad debts.

Before closing the accounting books for the preparation of the annual financial statements, the Company must conduct an inventory and reconcile each debt with creditors or debtors. For bad debts, a handling council must be established to determine unrecoverable amounts, causes, collective or individual responsibilities, and propose handling solutions. The Board of Directors shall decide on the plan for handling such bad debts.

For receivables determined to be doubtful or overdue, provisions must be appropriated in accordance with current regulations. Unrecoverable receivables must be written off in compliance with laws. Any difference between unrecoverable debt and compensations from responsible parties (if any) shall be offset by the provision for doubtful debts; any shortfall shall be recorded as business costs or results for each specific case as prescribed by current regulations.

1. Receivables management:

a) Receivables from customers refer to amounts owed by customers for water bills, construction projects, and other amounts receivable *(both short and long-term)*. If customers are allowed to defer a portion of the payment, they must commit to a specific repayment schedule with solid grounds for timely collection. All debt extensions granted to customers must be approved by the Company's leadership.

b) Advance payments to sellers (short and long term) refer to advances given to clients or contractors under construction contracts that have not yet recovered or exceeded the actual volume of construction work executed. The Planning and Business Department must closely monitor contract compliance and coordinate with the Technical Department and the Finance and Accounting Department in processing payments, recovering advances, and retaining the percentage retention as committed in the contract.

c) Advances and advance settlement: The advance requester must be a manager or an employee of the Company who performs the advance procedures in accordance with regulations. The advance recipient shall be held responsible for the advanced amount, the scope of usage, and the legality of the payment documents. Upon assignment completion, advances must be settled with full documentation for payment and clearance. If the received advance amount is not utilized or not fully utilized, it must be refunded. In special cases where an advance for a prolonged task has not been completely settled but a subsequent advance is required for other purposes, such subsequent advance requires approval of the Company's leadership. Individual advances remain unsettled for more than three months results in salary deductions of 50% until the advanced amount is fully recovered.

d) Other receivables refer to debts arising from the Company's production and business activities that have not been reflected above, including the value of missing assets with undetected causes pending resolution, receivables related to compensation for material damages caused by individuals or organizations (internal or external) such as loss or damage of materials, goods, funds, etc., which have been subject to compensation, and temporary loans of materials or funds.

Each must be strictly managed according to its content, payment deadlines, and must be tracked, handled, and urged for recovery in compliance with this Regulation and current provisions. A debt reconciliation and confirmation must be conducted at the end of each quarter/year.

đ) Bad debts: On determination, the Company must appropriate provisions for doubtful debts in accordance with regulations. The appropriation and utilization of provisions for doubtful receivables shall be implemented in accordance with the regulations of the Ministry of Finance.

e) Unrecoverable debts: The Company must clearly determine whether the causes are objective or subjective. A debt settlement committee must be established to handle bad and unrecoverable debts. The committee shall consist of the General Director, Deputy General Directors, heads of subordinate units, the Chief Accountant, and heads of relevant departments. The committee is responsible for preparing debt settlement minutes, which state the value of each receivable, the recovered amount, and the actual loss value *(after deducting the recovered amounts),* while clearly identifying the objective and subjective causes. If the causes are subjective and fall under the responsibility of collectives or individuals, such party shall be required to pay compensation in accordance with the provisions of law.

- For subjective causes: The Company shall be responsible for handling and requiring the relevant collectives or individuals to pay compensation *(determining the compensation level, value, payment deadline, and implementation measures).*

- For objective causes: Related units coordinate to identify causes and report to the General Director, who will then submit the matter to the Board of Directors for processing to offset the loss from the appropriated provision; any shortfall shall be recognized into management expenses

g) All unrecoverable debts that have been provisioned for doubtful accounts, along with doubtful accounts that have been provisioned, must be tracked in detail in the accounting books if they are recovered; and shall be presented in the audited financial statements approved by the General Meeting of Shareholders.

h) The Company has the right to sell its receivables in accordance with law, including outstanding receivables, doubtful debts, and unrecoverable debts for capital recovery. The sale of debt shall only be executed with economic organizations authorized to engage in the debt trading business, and debts must not be sold directly to the debtors. The selling price of the debts shall be mutually agreed upon by the parties based on reference prices from valuation organizations and market prices (if any). The parties shall bear full responsibility for the decision to sell the accounts receivable. Other rights, such as the right to file complaints or lawsuits in case of unrecovered debt, authorize third parites, or hire debt collection services, shall be exercised in accordance with the provisions of law.

i) Inventories refer to materials, supplies, goods in stock, as well as tools, unfinished products used for production or service provision, or currently in the ongoing business process. Since inventory is linked to the Company's production and business workflows, it fluctuates constantly. Inventory management must be conducted continuously, including physical stocktaking, status updates, and logging anomalies for timely handling. periodically, the Company must perform stock counts regarding both the quantity and value of inventories, monitor the movement and utilization of raw materials and supplies, and prepare warehouse inward/outward slips as well as other reports as necessary for the current physical stock, while assessing items that are damaged, expired, or obsolete. Subsequently, these results must be reconciled with the data in the accounting books to review and promptly handle discrepancies (if any).

k) Provision for inventory devaluation means the provision established for the decline in inventory value when the net realizable value drops below the original cost. These provisions shall be made only when there is evidence of a decrease in the net realizable value compared to the original inventory cost. This is an estimated expense recognized in advance into production and business costs to account for the portion falling below the value recorded in accounting books, and to compensate for actual losses arising from devaluation of materials, products, and goods in inventory.

n) Other current and non-current assets include prepaid expenses, deductible value-added tax, deferred income tax assets, taxes, and other receivables from the State; materials, spare parts for replacement, and other assets. Each receivable must be managed in accordance with its contents and payment schedule, and must be monitored, processed, and urged for recovery in accordance with this Regulation and current provisions. A reconciliation and confirmation must be conducted at the end of each quarter/year.

2. Management of payables:

Management of payables (short-term and long-term) is the process of monitoring, controlling, and efficiently utilizing financial obligations that the Company must pay to organizations and individuals during its business operations. This process shall ensure timely payment capacity, effective use of borrowed capital, and on-time debt settlement to maintain credibility with banks, suppliers, and partners. It also involves controlling a safe debt ratio and preventing financial imbalance, including:

a) Accounts payable to suppliers: The Company must maintain detailed tracking for each payable item and each customer or supplier; process the payment of liabilities, and perform periodic debt reconciliations in accordance with regulations. The Company's solvency and payment capacity must be regularly reviewed, evaluated, and analyzed to promptly detect any difficulties in debt clearance, thereby implementing timely remedial measures and minimizing the overdue payables.

b) Advances from customers refer to amounts advanced to the Company by buyers, such as prepayments for water utilities or construction projects. These amounts shall be offset after both parties complete the contract or be refunded to the customers. These balances must be tracked in detail by a specific entity and project.

c) Taxes and other obligations payable to the State: The Company shall track each liability in detail, and declare and remit payments to the State budget in accordance with applicable regulations. These include taxes, fees, dividends, exploitation rights, contributions to social insurance, health insurance, unemployment insurance, trade union funds, and other statutory payables. The incidence of late payment penalties must be minimized. The handling of outstanding liabilities, including tax debts, statutory obligations to the State budget, borrowings from credit institutions, guaranteed liabilities, and social insurance arrears, etc., shall comply with current State regulations on the settlement of outstanding debts.

d) Payables to employees: The Company establishes a salary scale and system based on job positions. On this basis, it issues regulations and policies on salary payments, salary distribution, determination of planned salaries and remunerations, and salary advances. It then finalizes actual salaries and remunerations and makes payments to managers and employees in compliance with the Company's internal regulations and applicable laws. Other payables to employees, such as salary-based deductions, meal allowances, and other benefits, shall comply with provisions of law or the Company's regulations.

đ) Borrowing payables: Capital mobilization and borrowing activities by the Company must be carefully evaluated regarding economic efficiency, and borrowing needs to align with investment plans, while tracking the efficiency of borrowed capital. Mobilized capital shall only be invested in projects, production, and business requirements. Capital must be used for the exact intended purpose stated in the loan application and must not be diverted to other purposes. Trade credit periods should be leveraged without allowing overdue debts to arise. Mobilized capital must be strictly managed and effectively utilized, and principal and interest must be paid in full compliance with the contract.

e) Provisions shall be made in accordance with Point b, Clause 5, Article 7 of this Regulation.

g) For payables where confirmation letters have been sent, but the customers have changed their addresses, failed to provide confirmation, or where no counterparty exists for clearance, such amounts shall be recognized as other income of the Company. In cases where a customer submits a written request for payment, the payment, when made, shall be recognized as an expense of the Company.

h) Dividends payable: Based on production and business results and financial statements in accordance with legal regulations, dividends shall be distributed, declared, and paid in full compliance with the resolutions of the General Meeting of Shareholders. For deposited securities, owners shall perform procedures to receive dividends at the depository members where their depository accounts are opened. For non-deposited securities, owners shall perform procedures to receive dividend payments at the Accounting and Finance Department of the Company on working days, from the payment date, and must present their Share Ownership Certificate and ID Card in accordance with the regulations of the Company and the law.

- Dividends for preferred shares shall be paid with the specific conditions applicable to each type of preferred share. Dividends for ordinary shares shall be determined based on the actual net profits and extracted from the retained earnings of the Company. A joint-stock company is only permitted to pay dividends on common shares when all of the following conditions are met:

+ The Company has fulfilled all tax obligations and other financial obligations in accordance with legal regulations;

+ The Company has fully appropriated its funds and covered previous losses in accordance with legal regulations and the Company's Charter;

+ After dividend payment, the Company still ensures the full payment of other debts and other property obligations.

- Dividends can be paid in cash, the Company's shares, or in other assets specified in the Company's Charter. If paid in cash, payments must be made in Vietnamese Dong by payment methods prescribed by law.

- Dividends can be paid in full within 06 months from the closing date of the Annual General Meeting of Shareholders. The Board of Directors shall prepare a notice to the Vietnam Securities Depository and Clearing Corporation to finalize the list of existing shareholders as of the final registration date and the payment date, and to determine the dividend rate for each share and the method of payment. Shareholders shall be notified of the dividend payment via the Company's website and the Hanoi Stock Exchange prior to the dividend payment.

i) Other payables:

- The Company shall open accounting books to fully track all payables, including interests; and settle liabilities strictly within the committed timelines. Regularly review, assess, and analyze debt payment capacity, and detect early signs of payment difficulties to implement timely corrective solutions, preventing overdue debts from arising;

- Periodically inventory and reconcile accounts payable, while evaluating and classifying debts to promptly detect overdue obligations. For payables denominated in foreign currencies, the Company shall evaluate balances and account for foreign exchange differences in accordance with the regulations of the Ministry of Finance

## Chapter III
## MANAGEMENT AND USE OF ASSETS

### Article 11. Assets of the Company

1. The assets of the Company include current assets and non-current assets reflected in the balance sheet.

a) Current assets include cash and cash equivalents, short-term financial investments, short-term receivables, inventories, and other current assets.

b) Non-current assets include long-term receivables, fixed assets (including accumulated depreciation of fixed assets), real estate, long-term work-in-progress assets, long-term financial investments, and other non-current assets

2. The Company shall have the right to pledge, mortgage, lease, transfer, liquidate, and dispose of assets under its ownership, and to restructure its assets for lawful business and production activities.

### Article 12. Fixed assets

1. The fixed assets (original cost and accumulated depreciation) of the Company include tangible fixed assets and intangible fixed assets. The determination of standards, original cost, useful life, and depreciation of fixed assets shall comply with the prevailing regulations of the Ministry of Finance

2. The Company's assets must be used in accordance with the operational objectives of the Company and the functions of each category of assets. The General Director shall select investment plans for procuring fixed assets, upgrading technological equipment, or restructuring of fixed assets in compliance with the law; and shall be accountable to the Board of Directors, and ensure consistency with business objectives in order to improve asset and capital efficiency.

3. The original cost of fixed assets shall be determined in accordance with applicable laws; loan interest payable and foreign exchange differences arising from foreign currency loans for investment purposes that are incurred before the fixed assets are put into operation or use shall be capitalized into the original cost of such fixed assets.

4. Fixed assets shall be managed and used in accordance with State regulations and the Company's Charter; the allocation level for major repair expenses and the depreciation rates of fixed assets shall be determined within the framework prescribed by the Ministry of Finance and the People's Committee of Ca Mau Province in order to achieve profits in line with the annual business plan approved by the General Meeting of Shareholders, while ensuring recovery and preservation of invested capital.

5. Annually, prior to closing the accounting books for preparation of the annual financial statements, the Company must conduct a physical inventory of fixed assets, inventories, cash, capital, and liabilities to determine the actual balances at the time of preparation of the financial statements; identify surplus or deficient assets or impaired assets; clarify the causes and responsibilities of relevant individuals and organizations; and determine the material compensation in accordance with the law and the Company's Charter. The compensation level shall be decided by the General Director of the Company, subject to the approval of the Chairman of the Board of Directors.

6. Each asset must have a separate dossier, including fixed asset handover minutes, purchase contracts, invoices, and related documents. Fixed assets shall be classified according to the classification criteria prescribed by the Ministry of Finance. Each fixed asset must be managed based on its original cost, accumulated depreciation, and net value recorded in the accounting books.

7. Fixed assets that have been fully depreciated but are still used in business operations shall continue to be managed in the same manner as ordinary fixed assets.

8. Assets subject to ownership registration must be registered in accordance with the law.

9. Responsibilities for management and use of assets: Assets must be specifically assigned to units or individuals within the Company for management and use. When using Company assets, such units and individuals shall have the responsibility to:

a) Properly preserve and use the assigned assets.

b) Any relocation or change of persons directly managing and using an asset within an internal unit must obtain the approval from the General Director. Cases involving relocation or transfer between different units within the Company or outside of the Company must be decided by the General Director.

c) Individuals assigned to manage and use assets shall not change the form, value, location, features, or functions of such assets without approval from the head of the unit. Maintenance, renovation, and repair of assets shall be carried out in accordance with the Company's regulations.

d) In all cases of relocation or transfer between departments and affiliated units or outside of the Company, the minutes of asset condition evaluation and handover must be prepared, with the participation and confirmation of the corresponding finance and accounting department.

đ) To ensure safety in the use of assets, the Company shall be responsible for purchasing asset insurance and/or making provisions for asset-related risks when necessary in accordance with applicable regulations

10. The Company shall depreciate fixed assets, allocate tools, instruments, and other expenses related to such assets, tools, and instruments in accordance with the regulations of the Ministry of Finance and other relevant legal documents; depreciation shall be recorded quarterly. Particularly for clean water infrastructure assets, depreciation shall be applied in accordance with the Decision of the People's Committee of Ca Mau Province regulating depreciation periods and depreciation rates or other relevant regulations on depreciation of fixed assets.

a) All existing fixed assets of the Company (including unused/ unnecessary fixed assets, and fixed assets awaiting liquidation) must be depreciated in accordance with current provisions, except for fixed assets falling within exempted cases prescribed by law.

b) For completed construction works that have been put into use but have not yet been settled, the Company shall temporarily record the increase in asset value using estimated values based on accounting data to calculate depreciation for capital recovery. Upon approval of the final settlement, the historical cost shall be adjusted according to the approved settlement value.

c) For fixed assets that are leased out, pledged, or mortgaged, the Company must depreciate them in accordance with regulations, as well as monitor and ensure the recovery of such assets.

d) For pre-owned assets, the basic depreciation period is determined based on the ratio of the residual value compared to the original cost of a new purchase at the time of acquiring that fixed asset. Particularly for fixed assets invested by bank loans, the basic depreciation rate must ensure sufficient repayment of the loan in accordance with the credit agreement.

đ) For fixed assets that are no longer usable, the depreciation must cease; and if they no longer serve production and business activities, liquidation dossiers must be prepared in accordance with regulations.

e) Fixed assets that have been fully depreciated but still used in production and business activities shall not continue to be depreciated, but must still be managed, used, and monitored in the Company's fixed asset register.

g) For donated or gifted fixed assets, such as water supply networks invested in by external parties and transferred to the Company without reimbursement requirements, the Company shall prepare a receipt and handover minute and record the asset increase using one of the following valuation methods:

- The original cost of the fixed asset is recognized based on the finalized investment value of the investor;

- The original cost of the fixed asset is determined based on the actual valuation conducted by the Valuation Council of the Company (or an outsourced valuation consulting firm).

11. The Chief Accountant shall be responsible for monitoring and recording accounting entries relating to increases, decreases, construction investment, and depreciation of fixed assets in accordance with accounting standards and prevailing regulations.

12. The Company shall conduct asset inventories to assess the status of assets, determine actual quantities of assets, materials, and goods, and establish lists of damaged, lost, or unused assets, materials, and equipment for handling measures.

13. Asset inventories shall be conducted in the following cases:

a) Semi-annually and at the end of each fiscal year prior to preparation of financial statements.

b) Upon division, separation, consolidation, merger, dissolution, termination of operations, bankruptcy, sale, assignment, or lease of the enterprise.

c) Upon conversion of the ownership structure of the enterprise.

d) Upon occurrence of fire, storms, floods, or other extraordinary losses.

đ) Upon revaluation of assets as decided by competent state authorities.

e) Other cases as prescribed by the Board of Directors and applicable laws.

14. Revaluation of assets

a) Asset revaluation is the process whereby the Company, based on the actual conditions of assets, such as quality and technical specifications, and market prices at the time of valuation, determines the actual value of the assets, serving as a basis for recalculating the actual value of capital and assets, and implementing appropriate adjustments.

b) Asset revaluation shall be carried out based on decisions of the Board of Directors. Any increase or decrease in value resulting from asset revaluation shall be accounted for as an increase or decrease in the Company's capital.

c) Asset revaluation must be conducted accurately, seriously, objectively, responsibly, and in compliance with Vietnamese accounting standards and applicable laws.

15. Handling of asset losses

a) Asset losses mean losses or damage causing a reduction in the value of the Company's assets due to objective or subjective causes. Where losses occur, the Company must clearly determine the causes, the value of the losses, and appropriate handling measures.

b) For losses caused by subjective reasons, the Company must determine the degree of liability of each relevant party and require compensation in accordance with Article 39 of this Regulation and applicable laws.

c) For losses caused by objective reasons, the Company must determine the extent of the damage and propose handling measures. The General Director shall submit the proposed handling plan to the Board of Directors for approval in order to compensate for such losses.

**Article 13. Investment in construction and procurement of assets**

1. Investment in construction, procurement of assets, and upgrading of fixed assets of the Company must comply with procedures for construction investment and asset procurement as stipulated in the prevailing Investment and Procurement Procedures of the Company.

2. The Company shall have the autonomy to select investment plans for construction, procurement of fixed assets and machinery, technological innovation, or restructuring of fixed assets in line with business objectives, in order to improve asset utilization efficiency and expand the Company's operational scale.

3. Authority to decide on investment, construction, procurement, and upgrading of fixed assets shall comply with the Company Charter, Investment and Procurement Procedures, and other relevant internal governance regulations of the Company.

4. Persons making decisions on investment, construction, procurement, and upgrading of fixed assets shall bear responsibility if such investment, construction, procurement, or upgrading is inappropriate, technologically obsolete, or unusable.

5. Procedures and processes for the implementation of investment projects shall comply with the laws on investment and construction management and the Company's regulations. The General Director shall be responsible for organizing the implementation and be accountable to the Board of Directors and the owners for the progress and quality of approved investment projects.

**Article 14. Lease, mortgage, and pledge of assets**

1. The Company shall have the right to lease, lend, mortgage, pledge, and transfer assets under its management for reinvestment and technological innovation on the principles of efficiency, capital preservation, and capital development in accordance with the law.

2. Persons having authority to decide on investment shall also have authority to decide on the use of assets for lease, pledge, or mortgage purposes

3. The use of assets for lease, mortgage, or pledge must comply with the Civil Code and other applicable legal regulations.

4. Assets used as pledges or mortgages must be supported by documents and records, and the related loans must be presented in the financial statements.

**Article 15. Liquidation and transfer of fixed assets**

1. The Company shall proactively transfer or liquidate damaged assets, technologically obsolete assets, assets no longer needed, assets unsuitable for continued use, unusable assets, scrap materials recovered from production processes, and long-term investments for which no further investment demand exists, on the principles of publicity, transparency, and capital preservation in accordance with applicable laws.

2. Asset liquidation or disposal plans where the carrying amount of the assets is equal to or greater than 35% of the total asset value recorded in the Company's latest audited financial statements shall be decided by the General Meeting of Shareholders. In cases where the carrying amount of the fixed assets to be liquidated or disposed of is lower than 35% of the total asset value recorded in the Company's latest audited financial statements, such plans shall be decided by, and under the responsibility of, the Board of Directors.

3. Liquidation and transfer of assets shall be conducted through auction organizations, quotation solicitation, direct appointment, or by the Company itself through public procedures in accordance with regulations. For transfers of fixed assets with a remaining book value below one hundred million VND, the General Director may decide to sell by auction or by negotiated sale, provided that the selling price is not lower than the market price. If the fixed asset has no market transaction reference, the Company may engage a qualified valuation organization to appraise and determine the selling price as the basis for disposal.

4. Authority to decide on liquidation and transfer of assets:

a) Persons having authority to decide on investment under the decentralization of the Company shall have corresponding authority to decide on liquidation or transfer of fixed assets and investment projects of unfinished fixed assets.

b) Contracts for liquidation or transfer of fixed assets and investment projects of unfinished fixed assets between the Company and related persons shall be implemented as follows:

- Authority of the General Meeting of Shareholders:

+ Approve contracts for the sale of assets with a value exceeding 10% of the Company's total asset value recorded in the latest financial statements between the Company and shareholders owning 51% or more of the total voting shares, or related persons of such shareholders.

+ Approve contracts for the sale of assets with a value equal to or exceeding 35% of the Company's total asset value recorded in the latest financial statements.

- Authority of the Board of Directors: Approve other contracts for the sale of assets beyond the authority of the General Meeting of Shareholders.

5. For newly invested or procured fixed assets have been completed and put into use within the first 03 years, but fail to achieve economic efficiency stated in the investment project approved by the competent authorities, if the Company has no further demand to operate or utilize them and the disposal of such assets does not ensure the full recovery of the invested capital, the responsibilities of the individuals involved must be clarified for handling in accordance with Company's regulations and the law.

6. The transfer of the Company's assets attached to land shall comply with the Law on Lands.

**Article 16. Management of capital in cash**

Capital in cash is part of the Company's current assets existing in monetary form and having the highest liquidity, including cash on hand, bank deposits, deposits at the State Treasury, and cash in transit. Due to their high liquidity, cash and cash equivalents are used to meet the Company's payment obligations, cover procurements, or expenses.

All transactions relating to capital on cash must be managed and properly accounted for in accordance with the laws.

1. Management of capital in cash

a) Management of cash and cash equivalents:

- Cash assets mean the amount of cash currently held by the Company at the reporting date, including cash on hand, bank deposits, and cash in transit.

- Cash equivalents mean short-term investments with a recovery or maturity period not exceeding three (03) months, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value from the acquisition date to the reporting date.

b) The Company shall open accounts at banks operating in Vietnam and overseas in accordance with applicable laws.

c) All monetary expenditure (whether in cash or via bank transfer) must be transparent, made for correct purposes, and approved by the legal representative, the Chairman of the Board of Directors, the General Director, or an authorized person under delegated authority.

d) Foreign currency funds shall be managed and used in accordance with the prevailing regulations of foreign exchange.

đ) The use of the Company's funds to extend loans to individuals or organizations for purposes other than the Company's business operations is strictly prohibited.

e) Periodically (monthly, quarterly, annually), or extraordinarily, depending on management purposes, the cashier and inventory committee members shall conduct cash counts, prepare inventory minutes, and obtain signatures from the General Director, Chief Accountant, cash accountant, and cashier. Any discrepancies (excess or shortage) arising during the inventory process must be handled as follows: the causes of all variances must be identified; if caused by subjective error of an individual, such individual shall be responsible for compensating for the damages and, depending on the severity, may be disciplined in accordance with Company regulations and the law; the specific compensation amount shall be determined by the General Director but must not be lower than the actual damage caused by that individual.

g) Departments and affiliated units must deposit all collected cash into the Company's bank account daily and conduct periodic or extraordinary cash counts upon request by the General Director or the heads of affiliated units. After the cash count, an inventory minutes must be prepared and signed by the head of the unit, the cashier, the cash accountant, and relevant parties. The periodic or extraordinary cash count minutes must be submitted to the Company.

h) Cash count minutes must be saved in the dossier of cash accounting documents.

2. Management of bank deposits:

a) All payment transactions through banks must comply with laws on banking and credit institutions, and applicable provisions.

b) The Company and its affiliated units must review and confirm deposit balances with banks and credit institutions in order to detect errors and promptly reconcile any discrepancies (if any), which shall serve as the basis for preparing financial statements and reconciling ending balances at the closing date of accounting books.

3. Non-cash payment

a) Non-cash payment: Non-cash payment documents include payment documents via banks (such as checks, payment orders, payment authorization, collection orders, collection authorization, bank cards, money transfers, collection and disbursement services, and other payment services provided to customers) and other non-cash payment documents

b) Authorization for payment: For purchases of goods, services, or other payments serving the Company's production and business activities with a transaction value of over 05 million VND per transaction, the Company may authorize managers or employees to make advance payments to suppliers using their personal bank accounts, and then the Company will subsequently provide reimbursement. In the event that the same seller issues multiple invoices within a single day, and each invoice is below 05 million VND, but the total value of these invoices reaches 05 million VND or more, non-cash payment must still be applied.

c) Payment dossiers include: Invoices and documents as prescribed by laws on accounting, invoices, and financial documents; non-cash payment documents of employees when purchasing goods or services under the Company's authorization; and non-cash reimbursement documents issued by the Company.

4. Investment of idle funds

The Chairman of the Board of Directors cum the legal representative, or the General Directors shall decide on the forms of term deposits at financial and credit institutions for temporarily idle funds to improve capital efficiency. Such decisions must ensure the principle of safety and guarantee timely payments to customers, creditors, and other relevant parties when payment due dates arise.

**Article 17. Management and utilization of materials, supplies, tools, and instruments**

Current assets are tools and instruments whose values are allocated to the Company's production and business expenses in accordance with current regulations.

1. The Company shall manage and use materials, supplies, tools, and instruments in the same manner as fixed assets, account for them as production costs, and allocate the value of tools and instruments into business expenses.

2. Materials, supplies, tools, and instruments that have been fully allocated but remain in use must continue to be monitored and managed as normal assets.

**Article 18. Inventory management**

Inventories shall be determined in accordance with the provisions of Vietnamese Accounting Standard No. 02 – "Inventories" issued by the Ministry of Finance. Inventory management must comply with prevailing regulations. At the end of each financial year, inventories must be classified and assessed to determine their net realizable value. Where the carrying value of inventories exceeds their estimated net realizable value, a provision for inventory devaluation must be made in accordance with regulations.

The Company has the right and responsibility to promptly handle low-quality, deteriorated, technologically obsolete, or excess inventory to recover capital. Inventory accounting must involve both physical quantity and value records. Accountants must maintain detailed records by category, type, and specifications, by each management and utilization location.

1. Inventories of materials, supplies, tools, and instruments include purchased goods in stock for production and business purposes, goods in transit, work in progress, completed products not yet warehoused, finished goods, and stored goods.

2. The Company must open tracking books with detailed inventory for each type of material, supply, goods, tool, and instrument, including those that have been fully allocated but still used.

3. The Company shall have the right and responsibility to inspect and handle inventories of materials, supplies, goods, tools, and instruments that are defective, obsolete, stagnant, unsuitable for use, or slow-moving in order to recover capital.

4. Authority and procedures for inventory disposal shall be decided by the General Director.

5. At the end of an accounting period, where the carrying value of inventories exceeds their net realizable value, the Company must make provisions for inventory devaluation in accordance with regulations.

**Article 19. Management of construction in progress**

1. Construction in progress includes purchasing of fixed assets, basis construction, periodic repair and maintenance of fixed assets, upgrading, and renovation of fixed assets. Such items shall be monitored by individual projects or work items, with unfinished balances identified at period-end and reflected in the financial statements.

2. Upon completion and acceptance of work volumes, the final settlement for the completed project must be prepared to proceed with the accounting recognition into assets for depreciation or allocation in accordance with

regulations. Management and monitoring must ensure that investment capital is used for proper purposes and to minimize losses.

**Article 20. Asset inventory, handling of asset losses, and revaluation of assets**

1. Asset inventory: The Company must establish an Inventory Committee at both the Company and affiliated-unit levels to conduct inventories and determine quantities of assets (including fixed assets, long-term investments, current assets, and short-term investments), and reconcile receivables and payables upon closing accounting books for periodic preparation of financial statements (quarterly, semi-annual, and annual). For surplus or deficient assets, uncollectible debts, and overdue debts, the causes and responsibilities of relevant parties must be clearly identified, and material compensation (if any) is determined in accordance with regulations. In cases of force majeure events causing fluctuations in the Company's assets, the General Director shall submit the matter to the Board of Directors for consideration and directions.

2. Handling of asset losses: Asset losses due to loss, deficit, damage, deterioration, obsolescence, outdated technology, or stagnant inventory identified through periodic or ad hoc counts. The Company must determine the value of the loss, identify causes and responsibilities, and handle it as follows:

a) If the loss is caused by the subjective faults of a collective or an individual, the party causing the loss must pay compensation in accordance with the law. The person with the authority to determine the compensation amount shall be held responsible for their decision.

b) For insured assets, any losses incurred shall be settled in accordance with the respective insurance policy. The remaining loss value, after deducting compensations paid by individuals, collectives, or insurance organizations, shall be charged to the business and production expenses of the period if there is a deficit. In the event that the compensation amount cannot be determined immediately within the accounting period when the loss occurs, it shall be recognized as other income in the accounting period when the compensation amount is finalized.

c) In exceptional cases involving losses due to objective and force majeure events, such as natural disasters, fires, epidemics, etc., where the Company has mobilized legal capital sources for remedy but still cannot fully recover, the General Director shall formulate a loss-handling plan to submit to the Board of Directors for consideration and decision.

3. Surplus assets identified upon inventory shall be handled by the Company in accordance with laws and regulations.

4. The Company shall revalue assets in the following cases:

a) According to the decision of the competent State agency.

b) Implementing a conversion of the Company's corporate structure.

c) Utilizing assets for outward investments outside the Company.

d) Other cases as prescribed by law.

The asset revaluation and the differences resulting in an increase or decrease in asset value due to revaluation must be carried out in accordance with legal regulations.

## Chapter IV
## REVENUE AND EXPENSES

### Article 21. Revenue and income of the Company

1. Revenue of the Company includes:

a) Revenue from business activities consists of amounts collected or to be collected from the sale of products, goods, and services of clean water supply on the market, after deducting sales discounts and good returns.

b) Other revenue is the amount received or receivable from activities outside of the production and business activities under the Company's registered business lines.

2. Financial income is the amount received or receivable arising from allowing other parties to use the Company's assets, income generated from lending capital, interest on deposits, dividends, and bonds, or distributed income from outbound capital investments, such as capital contributions of shares or joint ventures, etc.

3. Other income means amounts received or receivable from liquidation or transfer of fixed assets, insurance compensation, contractual penalties collected from customers, recovery of previously written-off debts, and other sources of income.

4. The criteria for recognizing revenue and other income shall be based on accounting standards and State regulations

5. Based on water billing invoices issued by the Business Planning Department, other revenue, financial income, and other income, the Accounting and Finance Department shall perform the accounting of revenue and other income in accordance with regulations. Managerial accounting shall be organized to monitor revenue and other income in detail by each service type and contract in order to provide timely information for management and operational purposes, ensuring that the Company's revenue is accurate, complete, and promptly.

**Article 22. Business expenses and management of expenses**

Annually, the Company must prepare an expenditure plan appropriate to the business activities. All expenses must be accounted for and classified according to applicable categories, items, and documents as prescribed by law. Expenses must comply with applicable policies and be incurred for proper purposes in accordance with the law, the Company's Charter, and the Company's internal regulations.

1. Business expenses include direct material costs, direct labor costs, construction machinery operating costs, manufacturing overhead expenses, financial expenses, selling expenses, general and administrative expenses, and other expenses.

a) The Company's business expenses are reasonable and valid expenses, such as costs of raw materials, fuel, and supplies; depreciation expenses of fixed assets; outsourced services expenses; salaries, wages, and safety bonuses; and other expenses related to production and business activities incurred by the Company during the fiscal year. The detailed classification of expenses shall follow the guidance of the Ministry of Finance on the current corporate accounting regime.

b) The determination and accounting of production and business expenses for calculating profit (loss) and taxable income in the fiscal year shall be based on the corporate accounting regime, accounting standards, and the current Law on Corporate Income Tax.

c) Expenses that are funded by dedicated sources or are unrelated to production and business operations, as prescribed by current laws, shall not be included in production and business expenses.

2. The Company must strictly manage and fully, promptly, accurately, and separately account for each expense item, product cost, and business line in order to reduce costs and product prices through the following measures:

a) The General Director shall develop and submit to the Board of Directors for issuance of economic and technical norms, labor norms, regulations, policies, and procedures suitable to the Company's business sectors, organizational structure, and equipment.

b) Norms must be disclosed to relevant personnel. If norms can not be achieved, resulting in increased costs, causes and responsibilities must be analyzed for handling in accordance with the law. If caused by subjective faults, compensation must be paid. The Board of Directors shall determine the compensation amount in accordance with legal regulations and be held responsible for its decision.

c) The General Director shall proactively develop cost-saving plans appropriate to the Company's actual operations.

d) Periodically (quarterly/annually), the General Director must organize analyses and evaluations of production costs and product prices in order to identify weaknesses in management and cost-driving factors, and implement timely corrective measures. Such reports shall be submitted to the Board of Directors.

3. All expenditures are specified in the Internal Expenditure Regulation of the Company, which is issued separately and constitutes an integral part of this Regulation.

4. If certain contents are not yet regulated, they shall be implemented in accordance with separate rules and regulations or legal regulations.

5. For expenditures made in violation of regulations, the individuals who proposed and decided on the expenditure must be responsible for reimbursement. The General Director shall decide on the reimbursement.

6. Periodically, the General Director shall direct relevant departments to review, amend, and supplement regulations and policies in order to ensure that spending limits remain appropriate to actual circumstances.

## Chapter V
## PROFIT AND PROFIT DISTRIBUTION

### Article 23. Profit and profit distribution

1. The Company shall prepare financial statements and determine profits on a quarterly, semi-annual, nine-month, and annual basis in accordance with regulations. Realized profit means profit generated directly from production and business activities, profit distributed from capital investment activities, and other income after deduction of expenses and fulfillment of tax obligations in accordance with regulations.

2. Based on business results and financial statements prepared in accordance with the law, the Company shall manage all realized profits after fully satisfying obligations to the State budget under prevailing regulations.

3. The State capital representative at the Company shall seek opinions from the owner's representative authority regarding the annual plan for after-tax profit distribution before discussing or voting at the General Meeting of Shareholders.

4. Distribution of after-tax profit: Based on the annual business plan and profit distribution approved by the General Meeting of Shareholders, the

Company shall distribute after-tax profits, evaluate operational performance, and appropriate funds in accordance with regulations.

5. The appropriation and use of the Bonus and Welfare Fund shall comply with applicable regulations

6. The Company shall determine dividends and carry out dividend payments in accordance with applicable laws. For cash dividends distributed to the State capital portion, the Company shall prepare tax declarations and remit such amounts to the State budget in accordance with regulations.

**Article 24. Purposes of funds**

1. The Development Investment Fund shall be appropriated from after-tax profits and used for the expansion of the Company's production and business activities and supplementation of charter capital

2. Bonus Fund

a) Bonus Fund shall be used for:

- Year-end bonuses, periodic bonuses, extraordinary bonuses, and rewards in accordance with laws on emulation and commendation for employees, including managers and supervisors.

- Rewards for external individuals and entities that have made contributions to the Company's business and management activities.

b) Bonus amounts shall be decided by the General Director. Criteria, bonus levels, and authority to decide on rewards shall comply with the Company's regulations and policies.

3. Welfare Fund

a) Welfare Fund shall be used for:

- Construction or repair of the Company's welfare facilities;

- Welfare activities for employees (including managers, the Executive Board, members of the Board of Directors, and supervisors, etc.)

- Capital contributions to joint welfare projects within the industry or with other entities under contracts.

- Extraordinary hardship allowances to employees, including retirees, persons who have lost their working capacity, those in difficult circumstances, the homeless, or for charity activities.

- Other welfare benefits.

b) The use of the Welfare Fund shall be decided by the Chairman of the Board of Directors or by the General Director with approval from the Board of Directors.

4. Remaining undistributed profit shall be monitored with annual undistributed profits.

5. Other funds under owners' equity include the Financial Reserve Fund and other funds used to resolve financial losses relating to the Company's production and business activities. The maximum appropriation to such funds shall not exceed 10% of charter capital. If these funds are not fully utilized, the remaining amounts shall be transferred to the Development & Investment Fund and reflected in the audited financial statements, which shall be approved by the General Meeting of Shareholders.

6. Science and Technology Development Fund shall be conducted in accordance with separate regulations on the organization and management of the Science and Technology Development Fund and relevant laws.

## Chapter VI
## PRODUCTION AND BUSINESS PLAN, ACCOUNTING SYSTEM, STATISTICS, AND AUDITING

### Article 25. Production and business plan

1. Based on strategic orientation and development plan for operations, the General Director is responsible for developing an annual production and business plan; report to the Board of Directors for approval, enabling the state capital representatives to seek directives from the owner's agency before giving opinions and voting at the General Meeting of Shareholders as regulated.

2. Based on the annual production and business plan approved by the Board of Directors and the General Meeting of Shareholders, the General Directors shall formulate a detailed action plan for publishing to all affiliated units.

3. On a quarterly, semi-annual, nine-month, and annual basis, the General Director must prepare evaluation reports on production and business activities, and financial targets in comparison with the established plans to report at the meetings of the Board of Directors.

### Article 26. Accounting system

1. The Company applies the corporate accounting system issued by the Ministry of Finance, maintains accounting books in Vietnamese, and reflects all arising economic transactions in Vietnamese Dong (VND).

2. Accounting documents and records (including data in the accounting software) of the Company must ensure accuracy, systematic updates, and maintain sufficient to prove and explain the Company's transactions. The storage of accounting documents and records shall comply with the law.

3. The disclosure of information, accounting documents, and books outside the Company must be approved by the legal representative or the General Director, or as prescribed by law.

4. The Chief Accountant is responsible for executing the accounting practices of the Company in accordance with the corporate accounting system and state accounting standards, and shall take liability to the Board of Directors and the General Director for all accounting operations.

**Article 27. Financial Statements**

1. The fiscal year of the Company shall begin on January 1st and end on December 31st of the solar calendar. The first fiscal year shall begin on the date the Company is granted its Business Registration Certificate and end on December 31st of the same year.

2. The currency unit used in the Company's accounting is Vietnamese Dong (VND); all arising transactions in foreign currencies or assets other than Vietnamese Dong must be converted into Vietnamese Dong for recording and accounting in strict compliance with current provisions, while concurrently being monitored in original currencies in the accounting books.

3. At the end of an accounting period (quarter, semi-annual, or annual), the Company must prepare its financial statements in accordance with the law and the Company's Charter.

4. Financial Statements must be audited in accordance with current law. The audit shall be conducted by an independent firm named in the list of accredited auditing firms published by the State Securities Commission, and must be approved by the General Meeting of Shareholders.

5. The deadline for completing quarterly financial statements must comply with current regulations. The semi-annual financial statements must be reviewed by auditors, and the annual financial statements must be audited by the approved independent auditing firm.

6. The Company must fulfill obligations of information disclosure in accordance with the law on public companies.

**Article 28. Internal audit and supervision**

1. Besides the supervision of the Supervisory Board, the Board of Directors and the General Director shall organize internal inspections through the management apparatus, including the accounting structure, and through management tools such as reporting systems, as well as periodic and extraordinary inspections by departments and affiliated units of the Company to serve the management and governance.

2. The Company is subject to inspection, examination, and supervision of its financial operations by competent financial authorities as prescribed by law.

### Article 29. Auditing

1. The Company shall execute the independent auditing practices in accordance with the law.

2. The Supervisory Board shall propose and recommend to the General Meeting of Shareholders for approval the list of auditing firms for the Financial Statements of the Company. The auditing firm must be named on the list officially published by the State Securities Commission for public companies.

3. Based on the list of auditing firms approved by the General Meeting of Shareholders, the Board of Directors authorizes the General Director to select one auditor in compliance with the Company's regulations and submit the selection results to the Board of Directors for approval.

4. Auditing fees shall be recorded as production and business expenses.

## Chapter VII
## TRANSFER OF STATE CAPITAL

### Article 30. Transfer of state capital invested in the Company

1. The owner's representative agency shall hire a licensed valuation organization to determine the starting price in accordance with the law on valuation, serving as the basis for the state capital transfer plan.

3. The transfer of state capital invested in joint-stock companies that are listed or registered for trading on the securities market shall comply with the provisions of the laws on securities.

3. The handling of revenues and expenditures arising during the process of transferring state capital invested in joint-stock companies shall comply with state regulations.

## Chapter VIII
## FINANCIAL RELATIONSHIP BETWEEN THE COMPANY AND ITS AFFILIATED UNITS, SUBSIDIARIES, AND OTHER ENTERPRISES IN WHICH THE COMPANY HOLDS INVESTMENT CAPITAL

### Article 31. Financial relationship between the Company and affiliated units

1. Affiliated units have no separate capital and assets; all assets of affiliated units are owned by the Company. The Company shall bear liability for all financial obligations arising from the commitments of these dependent accounting

units. Heads of affiliated units shall be responsible to the General Director for meeting planned targets and financial ones assigned by the Company, as well as managing and utilizing assets within their scope of authority in accordance with this regulation and state laws.

2. Subject to the requirements of economic and financial organization and management, the General Director may request the Board of Directors for approval on the decentralization and authorization for affiliated units to execute certain tasks in financial management and accounting. Such decentralization and authorization must be made in writing for each affiliated unit.

3. Affiliated units exercise rights and obligations according to the scope of decentralization and authorization of the Company. Heads of affiliated units are responsible to the General Director and laws for their decisions, ensuring their units achieve, at a minimum, the profit target assigned by the Company on an annual basis.

a) Effectively manage and utilize all assets and other resources assigned by the Company in accordance with Chapter II and Chapter III of this Resolution.

b) Comply with the regulated regime of reporting, statistics, and accounting to serve business governance and financial management, ensuring truthfulness and fairness.

c) Subject to the professional direction in the fields of finance and accounting of the Chief Accountant, and undergo inspection and supervision by state regulator authorities and the Company.

4. Provided a budget limit for expenditures incurred in the regular operations of the enterprises, branches under the Company, based on actual documents, including:

a) Costs of purchasing hand tools used in the installation and repair of pipelines, water meters, such as spades, shovels, crowbars, wrenches, spanners, pipe-cutting saws, adjustable wrenches, screwdrivers, measuring tapes, tool containers, and other tools; and expenditures on materials serving repair and operation works.

b) Costs of purchasing short-lived personal protective equipment, such as gloves, face masks, safety googles, and hand soap; service fees for sanitation and public security, and local expenditures as prescribed.

c) Cost of landline phone bills of the unit, personal telephone allowances with specific quotas and recipients under the general regulations issued by the Company;

d) Fuel costs and personal vehicle allowances for operations or business travel with specific quotas and recipients under the general regulations issued by the Company.

đ) Costs of patching tires of small excavators, water pump hoses, repairing water pumps, and drinking water for office use.

e) Stationery costs, including printing paper, printer ink, notebooks, etc.

g) Business travel allowances, other expenses, and meal allowances/refreshments for repairs of broken pipes during night shift or weekend.

h) Expenditures on business transactions and hospitality with partners related to the unit's operations must be approved by the Chairman of the Board of Directors or the General Director, prior to payment.

i) In case any expenses arise beyond the scope of this regulation, Heads of affiliated units must submit a written proposal and obtain the approval of the General Director before payment.

## Chapter IX

## RIGHTS AND OBLIGATIONS OF THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD, THE GENERAL DIRECTOR, AND THE CHIEF ACCOUNTANT IN FINANCIAL MANAGEMENT

### Article 32. Rights and obligations of the Board of Directors

1. The Board of Directors is the regularoty body of the Company with full powers on behalf of the Company to decide and exercise its rights and obligations, except rights and obligations under the authority of the General Meeting of Shareholders

2. Decide strategies, medium-term development plans, and the annual business plan of the Company.

3. Exercise other rights and obligations of an independent joint-stock company organized in the form of a joint-stock company as prescribed by the current Enterprises Law.

4. Receive and take responsibility for preserving and growing capital. Hold accountability before the General Meeting of Shareholders for the Company's business results, ensuring the fulfillment of objectives assigned by the General Meeting of Shareholders. Establish and propose plans to increase the charter capital for consideration and approval by the General Meeting of Shareholders.

5. Issue Regulation on Financial Management and other regulations, provisions, and standards for application.

6. Decide other issues as prescribed by law and the Company's regulations.

**Article 33. Rights and obligations of the Chairman and members of the Board of Directors**

1. The Chairman of the Board of Directors shall be elected, dismissed, or removed by the Board from among its members.

2. The Chairman of the Board of Directors shall be the legal representative of the Company, unless otherwise provided for in the Company's Charter.

3. Members of the Board of Directors have the right to request the General Director, Deputy General Director, and other managers to provide information and documents regarding the financial situations and business operations of the Company and its subsidiaries.

4. Such managers must provide information and documents in a timely, accurate, and complete manner at the request of the Board members. Procedures for requesting and providing information shall be regulated by the Company's Charter.

5. Obligations of the Chairman and members of the Board of Directors:

a) Exercise the assigned rights and obligations honestly and responsibly for the interest of the shareholders and the Company.

b) Not abuse their positions and powers to utilize capital and assets of the Company for personal gain or the benefit of their families and others.

c) Annually, provide full, accurate, and honest reports on the management and supervision results of the Company's operations; promptly report on the Company's production and business activities at the request of competent authorities.

d) Other obligations as prescribed by law.

6. Perform other duties in accordance with the legal provisions.

**Article 34. Rights and obligations of the Supervisory Board**

1. The Supervisory Board shall supervise the Board of Directors and the General Director in the management and governance of the Company.

2. Examine the reasonableness, legality, honesty, and level of prudence in the management and governance of business operations, as well as inspect the logic, consistency, and appropriateness of accounting, statistics, and financial reporting.

3. Appraise the completeness, legality, and honesty of the Company's annual and semi-annual business performance reports and financial statements, as well as reports on the performance of the Board of Directors; submit such appraisal reports to the Annual General Meeting of Shareholders. Review

contracts and transactions with related parties that fall under the approval authority of the Board of Directors or the General Meeting of Shareholders, and provide recommendations on contracts and transactions requiring approval of the Board of Directors or the General Meeting of Shareholders.

4. Review, examine, and evaluate the validity and effectiveness of the Company's internal control, internal audit, risk management, and early warning systems.

5. Examine accounting books, accounting records, and other documents of the Company, as well as the management and governance of the Company's operations when deemed necessary, or under resolutions of the General Meeting of Shareholders, or at the request of shareholders or a group of shareholders specified in the Law on Enterprises

6. Other rights and obligations as prescribed by the Law on Enterprises, the Company's Charter, and resolutions of the General Meeting of Shareholders.

**Article 35. Obligations of supervisors**

1. Strictly comply with the law, the Company's Charter, resolutions of the General Meeting of Shareholders, and professional ethics in exercising assigned rights and obligations.

2. Exercise assigned rights and obligations honestly, prudently, and to the best of one's ability to ensure the best legitimate interests of the Company.

3. Remain loyal to the interests of the Company and shareholders; refrain from abusing position or authority and using the information, know-how, business opportunities, or other assets of the Company for personal gain or to serve the interests of other organizations or individuals

4. Perform other obligations in accordance with the Law on Enterprises and the Company's Charter. In the event of a breach of the provisions in Clauses 1, 2, 3, and 4 of this Article that causes damage to the Company and others, the supervisors must bear personal or joint liability for such damage. Any income or other benefits obtained by the Supervisory Board from the violations must be returned to the Company.

5. If a supervisor has committed a violation in exercising assigned rights and obligations, a written notice must be sent to the Supervisory Board requesting the violator to stop violations and take remedial measures.

**Article 36. Powers of the General Directors**

1. The Board of Directors shall appoint a Board member as the General Director.

2. The General Director shall manage the day-to-day business operations of the Company; be subject to the supervision of the Board of Directors; and be

accountable to the Board of Directors and before the law for the exercise of assigned rights and obligations.

3. The Director General/CEO shall have the following rights and obligations:

a) Decide on matters related to the day-to-day business operations of the Company that do not fall under the authority of the Board of Directors.

b) Organize the implementation of resolutions and decisions of the Board of Directors; execute the business plans and investment projects of the Company; and propose organizational structure plans and internal management regulations of the Company.

c) Exercise other rights and perform other obligations in accordance with the law, the Company's Charter, and resolutions or decisions of the Board of Directors.

4. The General Director must manage the day-to-day business operations of the Company in strict compliance with the law, the Company's Charter, and resolutions or decisions of the Board of Directors. In the event that the management is conducted in violation of this Clause and causes damage to the Company, the General Director must be held liable before the law and compensate the Company for such damages.

**Article 37. Rights and obligations of the General Director**

1. Perform assigned powers and obligations honestly and responsibly for the benefit of the owners and the Company.

2. Not abuse the positions and powers to utilize the capital and assets of the Company for personal gain or for the benefit of their families and others

3. When the Company is unable to pay its due debts and other property obligations, report to the Board of Directors, notify the creditors, seek solutions to overcome the financial difficulties, and must not increase salaries or pay bonuses to employees and managers of the Company. Failure to implement these measures that result in damage to creditors shall incur personal liability for such damages.

4. In the event of a breach of the Company's Charter, making decisions beyond or without proper authority, or abusing position and power that causes damage to the Company and shareholders, compensation must be made in accordance with the provisions of law and the Company's Charter. The Board of Directors shall determine the level of compensation.

5. Be accountable to the Board of Directors and before the law for the governance of the Company's operations.

6. Be accountable to the Board of Directors for preserving and developing the Company's capital.

7. Take responsibility and fulfill obligations regarding mobilized capital and other capital sources of the Company; bear material liability for damages caused to the Company due to personal faults.

8. Prepare and submit the annual financial statements to the Board of Directors; be responsible for the accuracy and honesty of the financial figures and other financial information. Annually, the General Director must submit a report on the governance results of the Company's operations to the Board of Directors.

9. Perform other responsibilities as prescribed by law and the Company's regulations.

**Article 38. Powers of the Chief Accountant**

1. Have professional and technical independence in accounting. Reserve personal professional opinions in writing in the event of a disagreement with the opinions of the decision-maker.

2. Request relevant departments within the Company to fully and promptly provide documents related to accounting work and financial supervision.

3. Organize and manage the accounting apparatus, and prepare financial statements in compliance with accounting regimes and standards. Report in writing to the legal representative upon detecting any violation of the law on finance and accounting within the Company. If the execution of the decision remains mandatory, report to the immediate supervisor of the person who issued such a decision, and be exempted from liability for its consequences.

**Article 39. Obligations of the Chief Accountant**

1. The Chief Accountant is under the leadership of the legal representative and the Board of Management; has responsibilities to assist the legal representative and the Board of Management in financial supervision within the Company.

2. Implement the provisions of law on accounting and finance, and organize and manage the accounting apparatus in accordance with legal regulations.

3. Prepare financial statements in compliance with accounting regimes and standards.

## Chapter X
## IMPLEMENTATION AND ENFORCEMENT CLAUSE

**Article 40. Implementation**

1. The Company has the right to restructure its capital and assets in accordance with the business plan approved by the General Meeting of Shareholders.

2. The Board of Directors shall exercise its authority of financial management by inspecting and supervising financial activities within the Company in compliance with the provisions of this Regulation.

3. The Board of Directors, the General Director, the Chief Accountant, all affiliated units, and employees of the Company shall be responsible for organizing the implementation of financial management and accounting in accordance with the provisions of this Regulation.

4. Any act causing capital loss, damage, or destruction of assets or misuse of capital and assets resulting in losses shall incur material liability, except for force majeure events or other cases decided by the Board of Directors.

5. For matters not yet provided for in this Regulation, the Board of Directors or the General Directors shall issue separate regulations, rules, or other documents for application, which shall act as an integral part of this Regulation.

6. Specific expenditures and spending limits are regulated in the Internal Expenditure Regulation of the Company.

**Article 41. Enforcement clause**

1. Any amendment or supplement to this Regulation must be reviewed by the Board of Directors, then submitted to the General Meeting of Shareholders for approval.

2. In case that relevant legal provisions regarding the Company's financial management activities are not mentioned in this Regulation, or if new regulations of the law and the Company's Charter differ from the provisions herein, such legal provisions shall automatically apply and govern the financial management activities of the Company.

3. The Regulation on Financial Management of Ca Mau Water Supply Joint Stock Company consists of 10 chapters and 41 articles, and shall take effect from June …., 2026.

*The Regulation on Financial Management of Ca Mau Water Supply Joint Stock Company was approved by the General Meeting of Shareholders under the Resolution No. …../NQ-ĐHĐCĐ dated ……/.*

**On behalf of BOARD OF DIRECTORS**
**CHAIRMAN**

CÔNG TY CP CẤP NƯỚC CÀ MAU

Digitally signed by CÔNG TY CP CẤP NƯỚC CÀ MAU
DN: C=VN, S=CÀ MAU, L=Thành phố Cà Mau, CN=CÔNG TY CP CẤP NƯỚC CÀ MAU, OID.0.9.2342.19200300.100.1.1=MST:2000101918
Reason: I am the author of this document
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**Ho Tan Luat**