

No.: 36/TB-HĐQT

*Khanh Hoa, April 16, 2025*

**PERIODIC INFORMATION DISCLOSURE  
OF FINANCIAL STATEMENTS**

**To:**

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange

Pursuant to Clauses 3 and 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, providing guidance on information disclosure in the securities market, Khanh Hoa Water Supply and Sewerage Joint Stock Company hereby discloses information regarding the financial statements (FS) for Quarter 1/2025 to the Hanoi Stock Exchange as follows:

**1. Organization details:**

- Stock code: KHW
- Address: 58 Yersin Street, Phuong Sai Ward, Nha Trang City
- Contact phone: 0258.3828807 Fax: 0258.3810740
- Email: support@ctnkh.com.vn **Website:** <http://ctnkh.com.vn>

**2. Details of Information Disclosure:**

- Financial Statements for Quarter 1/2025
  - ☒ Separate financial statements (for listed companies without subsidiaries or accounting units under a superior accounting entity);
  - ☐ Consolidated financial statements (for listed companies with subsidiaries);
  - ☐ Combined financial statements (for listed companies with dependent accounting units under a separate accounting structure).
- Cases requiring explanation:
  - + The auditing organization issues an opinion other than an unqualified opinion for the FS (for reviewed/audited FS):
    - ☐ Yes ☒ No
- Explanatory note required if applicable:
  - ☐ Yes ☒ No



+ Post-tax profit for the reporting period differs by 5% or more before and after the audit, or shifts from loss to profit or vice versa (for audited FS in 2024):

☐ Yes

☒ No

Explanatory note required if applicable:

☐ Yes

☒ No

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

☐ Yes

☒ No

Explanatory note required if applicable:

☐ Yes

☒ No

+ Post-tax profit for the reporting period is a loss, shifting from profit in the same period last year to loss this year, or vice versa:

☐ Yes

☒ No

Explanatory note required if applicable:

☐ Yes

☒ No

This information has been published on the company's website on April 16, 2025 at the following link: <http://ctnkh.com.vn/qhcd.aspx>

**Attached documents:**

- Financial Statements for Quarter 1/2025
- Explanatory documents

**Representative of the organization**

Legal Representative



**TỔNG GIÁM ĐỐC**

**Nguyễn Văn Đàm**





# **FINANCIAL STATEMENTS**

## **FIRST QUARTER 2025**

For the Fiscal year ended on 31 December 2025

**KHANH HOA WATER SUPPLY  
AND SEWERAGE JOINT STOCK  
COMPANY**

# **FINANCIAL STATEMENTS**

## **FIRST QUARTER 2025**

For the Fiscal year ended on 31 December 2025

**KHANH HOA WATER SUPPLY  
AND SEWERAGE JOINT STOCK  
COMPANY**



KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY  
58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

(Promulgated with Circular No.  
96/2020/TT-BTC dated 22 December, 2014  
of the Minister of Finance)

## BALANCE SHEET

As at 31 March, 2025

Currency: VND

Items	Code	Notes	Closing balance	Opening balance
1	2	3	4	5
<b>A - CURRENT ASSETS (100=110+120+130+140+150)</b>	<b>100</b>		<b>188.232.675.068</b>	<b>175.736.397.336</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>1</b>	<b>4.109.448.167</b>	<b>6.619.633.610</b>
1. Cash	111		996.161.067	3.524.661.910
2. Cash equivalents	112		3.113.287.100	3.094.971.700
<b>II. Short-term financial investments</b>	<b>120</b>	<b>2a</b>	<b>113.737.310.673</b>	<b>99.878.796.849</b>
1. Trading securities	121			
2. Provision for diminution in value of trading securities (*)	122			
3. Held-to-maturity Investments	123		113.737.310.673	99.878.796.849
<b>III. Current receivables</b>	<b>130</b>		<b>43.646.231.519</b>	<b>45.618.441.215</b>
1. Short-term trade receivables	131	3	40.988.750.949	43.162.649.568
2. Short-term prepayments to suppliers	132	4	1.631.129.780	366.202.000
3. Short-term intercompany receivables	133			
4. Construction contracts-in-progress receivables	134			
5. Short-term lendings	135			
6. Other short-term receivables	136	5	1.179.950.790	2.243.189.647
7. Provision for short term doubtful debts (*)	137	6	(153.600.000)	(153.600.000)
8. Shortage of assets awaiting resolution	139			
<b>IV. Inventories</b>	<b>140</b>	<b>7</b>	<b>26.739.684.709</b>	<b>23.619.525.662</b>
1. Inventories	141		26.739.684.709	23.619.525.662
2. Provision for devaluation of inventories (*)	149			
<b>V. Other current assets</b>	<b>150</b>			
1. Short-term prepaid expenses	151	8		
2. Value added tax deductibles	152			
3. Tax and other receivables from the State Budget	153	14a		
4. Government bonds under repurchase agreement	154			
5. Other current assets	155			
<b>B - LONG-TERM ASSETS (200=210+220+230+240+250+260)</b>	<b>200</b>		<b>427.687.983.570</b>	<b>438.235.660.176</b>
<b>I. Long-term receivables</b>	<b>210</b>			
1. Long-term trade receivables	211			
2. Long-term prepayments to suppliers	212			
3. Capital provided to dependent units	213			
4. Long-term intercompany receivables	214			
5. Long-term lendings	215			
6. Other long-term receivables	216			
7. Provision for long term doubtful debts (*)	219			
<b>II. Fixed assets</b>	<b>220</b>		<b>395.365.033.343</b>	<b>407.013.504.692</b>
1. Tangible fixed assets	221	9	382.617.022.042	394.100.162.362

This note is an integral part of and should be read in conjunction with the financial statements.



1	2	3	4	5
- Original cost	222		1.289.413.510.795	1.279.146.218.043
- Accumulated depreciation (*)	223		(906.796.488.753)	(885.046.055.681)
2. Financial lease fixed assets	224			
- Original cost	225			
- Accumulated depreciation (*)	226			
3. Intangible fixed assets	227	10	12.748.011.301	12.913.342.330
- Original cost	228		28.829.089.400	28.754.389.400
- Accumulated depreciation (*)	229		(16.081.078.099)	(15.841.047.070)
<b>III. Investment properties</b>	<b>230</b>			
- Original cost	231			
- Accumulated depreciation (*)	232			
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>11</b>	<b>3.941.545.158</b>	<b>1.932.114.073</b>
1. Long-term works in progress	241			
2. Constructions in progress	242		3.941.545.158	1.932.114.073
<b>V. Long-term financial investments</b>	<b>250</b>	<b>2b</b>	<b>24.000.000.000</b>	<b>24.000.000.000</b>
1. Investments in subsidiaries	251			
2. Investments in associates, joint ventures	252		24.000.000.000	24.000.000.000
3. Investments in other entities	253			
4. Provision for long-term financial investments (*)	254			
5. Investments held to maturity	255			
<b>VI. Other long-term assets</b>	<b>260</b>	<b>8</b>	<b>4.381.405.069</b>	<b>5.290.041.411</b>
1. Long-term prepaid expenses	261		4.381.405.069	5.290.041.411
2. Deferred income tax assets	262			
3. Long-term substituted equipment, supplies and spare parts	263			
4. Other long-term assets	268			
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>615.920.658.638</b>	<b>613.972.057.512</b>
<b>C - LIABILITIES (300=310+330)</b>	<b>300</b>		<b>265.665.272.982</b>	<b>217.156.670.772</b>
<b>I. Short-term liabilities</b>	<b>310</b>		<b>91.949.499.399</b>	<b>95.997.531.397</b>
1. Short-term trade payables	311	12	17.368.071.457	11.009.985.207
2. Short-term advances from customers	312	13	1.783.607.000	1.836.810.000
3. Tax and obligations to the State	313	14a	10.600.150.501	12.950.593.284
4. Payable to employees	314		7.888.097.289	20.813.903.056
5. Short-term accrued expenses	315	15	3.950.647.609	4.658.075.983
6. Short-term intercompany payables	316			
7. Construction contracts-in-progress payables	317			
8. Short-term unearned revenue	318			
9. Other short-term payables	319	16a	7.195.736.275	6.764.221.151
10. Short-term borrowings	320	17a	24.680.324.932	31.313.324.932
11. Provision for short-term liabilities	321			
12. Bonus and welfare funds	322	18	18.482.864.336	6.650.617.784
13. Price stabilization funds	323			
14. Government bonds under repurchase agreement	324			
<b>II. Long-term liabilities</b>	<b>330</b>		<b>173.715.773.583</b>	<b>121.159.139.375</b>
1. Long-term trade payables	331			
2. Long-term advances from customers	332			
3. Long-term accrued expenses	333			
4. Intercompany payables on capital contribution	334			
5. Long-term intercompany payables	335			

This note is an integral part of and should be read in conjunction with the financial statements.



1	2	3	4	5
6. Long-term unearned revenue	336			
7. Other long-term payables	337	16b	58.552.325.508	9.932.332.308
8. Long-term borrowings	338	17b	110.003.794.659	105.821.794.659
9. Convertible bonds	339			
10. Preference shares	340			
11. Deferred income tax liabilities	341			
12. Provision for long-term liabilities	342			
13. Science and technology development fund	343	19	5.159.653.416	5.405.012.408
<b>D - OWNERS' EQUITY (400=410+430)</b>	<b>400</b>		<b>350.255.385.656</b>	<b>396.815.386.740</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>350.255.385.656</b>	<b>396.815.386.740</b>
1. Owners' equity	411	20a	285.999.960.000	285.999.960.000
- Ordinary shares with voting rights	411A		145.860.000.000	285.999.960.000
- Preference shares	411B		140.139.960.000	
2. Share premium	412		852.875.935	852.875.935
3. Share conversion options on convertible bonds	413			
4. Owners' other capital	414			
5. Treasury shares (*)	415			
6. Differences upon asset revaluation	416			
7. Foreign exchange differences	417			
8. Investment and development funds	418		48.869.748.493	22.719.748.493
9. Enterprise reorganisation assistance fund	419			
10. Other funds	420			
11. Undistributed earnings	421		14.532.801.228	87.242.802.312
- Undistributed post-tax profits of previous years	421A			87.242.802.312
- Post-tax profits of current years	421B		14.532.801.228	
12. Construction investment fund	422			
<b>II. Budget sources and other funds</b>	<b>430</b>			
1. Budget sources	431			
2. Funds that form fixed assets	432			
<b>TOTAL RESOURCES(440=300+400)</b>	<b>440</b>		<b>615.920.658.638</b>	<b>613.972.057.512</b>

Nha Trang, 15 April, 2025

PREPARER

(Signature and full name)

CHIEF ACCOUNTANT

(Signature and full name)

GENERAL DIRECTOR

(Signature, full name and seal)

  
Trần Thị Thu Hà

Nguyễn Văn Quân



TỔNG GIÁM ĐỐC

Nguyễn Văn Đàm



## INCOME STATEMENT

The 1st quarter of 2025

Currency: VND

Description	Code	Note	Quarter 1 of		Accumulated of	
			Current year	Previous year	Current year	Previous year
1	2	3	4	5	6	7
1. Gross revenue from sale of goods and rendering of services	01	21a	99.893.428.698	93.868.341.218	99.893.428.698	93.868.341.218
2. Revenue deductions	02	22		3.065.963		3.065.963
+ Sale refunded	02C			3.065.963		3.065.963
3. Net revenue from sale of goods and rendering of services (10=01- 02)	10		99.893.428.698	93.865.275.255	99.893.428.698	93.865.275.255
4. Cost of sales	11	23	79.284.974.812	73.275.869.770	79.284.974.812	73.275.869.770
5. Gross profit from sale of goods and rendering of services (20=10-11)	20		20.608.453.886	20.589.405.485	20.608.453.886	20.589.405.485
6. Financial income	21	24	368.079.148	330.335.854	368.079.148	330.335.854
7. Financial expenses	22	25	2.055.946.111	1.348.593.450	2.055.946.111	1.348.593.450
- In which: Interest expenses	23		2.055.946.111	1.348.593.450	2.055.946.111	1.348.593.450
8. Selling expenses	25	26	152.000.000	150.000.000	152.000.000	150.000.000
9. General and administration expenses	26	27	2.593.603.527	2.362.394.839	2.593.603.527	2.362.394.839
10. Net operating profit (loss) {30=20+(21-22)-(25+26)}	30		16.174.983.396	17.058.753.050	16.174.983.396	17.058.753.050
11. Other income	31	28	1.089.118.410	1.494.784.939	1.089.118.410	1.494.784.939
12. Other expenses	32	29	1.083.008.404	1.128.884.480	1.083.008.404	1.128.884.480
13. Net other profit (loss) (40=31-32)	40		6.110.006	365.900.459	6.110.006	365.900.459
14. Net profit before tax (50=30+40)	50		16.181.093.402	17.424.653.509	16.181.093.402	17.424.653.509
15. Current corporate income tax ("CIT")	51	14b	1.637.946.452	1.796.008.158	1.637.946.452	1.796.008.158
16. Deferred corporate income tax	52					
17. Net profit after tax (60=50-51-52)	60		14.543.146.950	15.628.645.351	14.543.146.950	15.628.645.351
18. Basic earnings per share	70					
19. Diluted earnings per share	71					

PREPARER

(Signature and full name)

  
Trần Thị Thu Hà

CHIEF ACCOUNTANT

(Signature and full name)

  
Nguyễn Văn Quân

Nha Trang, 15 April, 2025

GENERAL DIRECTOR

(Signature, full name and seal)



Nguyễn Văn Đàm



## CASH FLOW STATEMENT

(Direct method)

The 1st quarter of 2025

Currency: VND

Items	Code	Note	Current year accumulated	Previous year accumulated
1	2	3	4	5
<b>I. Cash flows from operating activities</b>				
1. Revenue from sale of goods, rendering of services and other	01		130.478.294.198	129.130.577.857
2. Payments to suppliers for goods and services	02		(41.039.877.606)	(44.286.114.082)
3. Payments to employees	03		(31.857.236.268)	(37.028.910.170)
4. Interest paid	04		(2.055.946.111)	(1.348.593.450)
5. Corporate income tax paid	05		(3.000.000.000)	(1.400.000.000)
6. Other receipts from operating activities	06		10.292.488.165	6.284.417.086
7. Other payments on operating activities	07		(43.307.004.496)	(43.873.107.440)
<b>1. Net cash flows from operating activities</b>	<b>20</b>		<b>19.510.717.882</b>	<b>7.478.269.801</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases of fixed assets and other long-term assets	21		(444.785.182)	(549.223.728)
2. Proceeds from disposals of fixed assets and long-term assets	22			
3. Loans granted, purchases of debt instruments of other entities	23		(59.509.256.046)	(37.559.203.038)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		45.650.742.222	37.472.039.269
5. Investments in other entities	25			
6. Proceeds from divestment in other entities	26			
7. Dividends and interest received	27		5.052.281	5.347.118
<b>2. Net cash flows from investing activities</b>	<b>30</b>		<b>(14.298.246.725)</b>	<b>(631.040.379)</b>
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issue of shares and capital contribution	31			
2. Payments for share returns and repurchases	32			
3. Proceeds from borrowings	33			
4. Repayments of borrowings	34		(6.633.000.000)	(5.783.000.000)
5. Repayment of principal on finance leases	35			
6. Dividends paid, profits distributed to owners	36		(1.107.972.000)	(1.078.568.310)
<b>3. Net cash flows from financing activities</b>	<b>40</b>		<b>(7.740.972.000)</b>	<b>(6.861.568.310)</b>
<b>4. Net cash flows during the period (50 = 20+30+40)</b>	<b>50</b>		<b>(2.528.500.843)</b>	<b>(14.338.888)</b>



1	2	3	4	5
5. Cash and cash equivalents at beginning of the period	60		6.619.633.610	5.911.948.981
6. Effect of foreign exchange differences	61			
7. Effect of reclassification of cash equivalents at the end of the period.	62			
8. Cash and cash equivalents at end of the period (70 = 50+60+61+62)	70	1	4.091.132.767	5.897.610.093

Nha Trang, 15 April, 2025

PREPARER

(Signature and full name)

  
Trần Thị Thu Hà

CHIEF ACCOUNTANT

(Signature and full name)

  
Nguyễn Văn Quân

GENERAL DIRECTOR

(Signature, full name and seal)

  
  
TỔNG GIÁM ĐỐC  
Nguyễn Văn Đàm



# KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ending 31 December, 2025

### Notes to the Financial Statement (continued)

## NOTES TO THE FINANCIAL STATEMENT

For the fiscal year ending 31 December, 2025

### I. OPERATIONAL CHARACTERISTICS

#### 1. Ownership Structure

Khanh Hoa Water Supply and Sewerage Joint Stock Company (hereinafter referred to as "the Company") is a joint-stock company.

#### 2. Business operation

The Company operates in production and services.

#### 3. Principal activities

The Company's main business activities include: Producing and supplying clean water; Constructing and installing pump stations and water supply and drainage pipelines; Designing water networks and pump station facilities; Consulting and appraising water network and pump station projects.

#### 4. Normal production and operating cycle

The Company's normal production and operating cycle is generally within 12 months.

#### 5. The operating characteristics of The Company in the financial year may affect the financial statements

Profit for this year has increased compared to the previous year due to a rise in net revenue from the Company's business activities, mainly water production. The Company continues to expand its water supply network within the province, which has contributed to increased revenue. Additionally, financial income has risen due to an increase in fixed-term deposits.

#### 6. The Company's structure

As of 31 March, 2025, the Company has 1 associated company as follows:

Name	Address	Voting Rights	Ownership	Interest
<b>Associated Company:</b>				
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam	30%	30%	30%

The Company's subsidiaries as of 31 March, 2025, include:

Name	Address
Xuan Phong Water Plant	Phu Binh Hamlet, Vinh Thanh Commune, Nha Trang City
Vo Canh Water Plant	Go Dinh, Vo Canh Hamlet, Vinh Trung Commune, Nha Trang City
Khanh Son Water Plant	To Hap Town, Khanh Son District



# **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

## **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

**Notes to the Financial Statement** (continued)

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Branch of the Khanh Hoa Water Supply  
and Sewerage Joint Stock Company -  
Drainage Construction Enterprise

1B Le Hong Phong Street, Phuoc Tan Ward, Nha  
Trang City, Khanh Hoa Province

### **7. Statement on the Comparability of Financial Statement Information**

The corresponding figures for this year are comparable to those of the previous year.

### **8. Employees**

As of the end of the first quarter of 2025, the Company employed 328 staff members (compared to 329 at the beginning of the year).

## **II. FISCAL YEAR AND ACCOUNTING CURRENCY**

### **1. Fiscal Year**

The Company's fiscal year begins on 1 January and ends on 31 December of each year.

### **2. Reporting Currency**

The reporting currency applied to prepare the Financial Statements is the Vietnamese Dong (VND), as most transactions are conducted in VND.

## **III. ACCOUNTING STANDARDS AND POLICIES APPLIED**

### **1. Applied Accounting System**

The Company applies the Vietnamese Accounting Standards and the Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, and other guiding circulars issued by the Ministry of Finance for preparing and presenting financial statements.

### **2. Compliance Statement on Accounting Standards and Policies**

The Board of Directors ensures compliance with the requirements of Vietnamese Accounting Standards and the Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC, as well as other guiding circulars of the Ministry of Finance, in preparing and presenting financial statements.

## **IV. SIGNIFICANT ACCOUNTING POLICIES**

### **1. Basis for Preparing Financial Statements**

Financial statements are prepared based on the accrual basis of accounting (except for cash flow-related information).

### **2. Cash and Cash Equivalents**

Cash includes cash on hand and demand deposits at banks. Cash equivalents are short-term investments with a maturity of no more than three months from the date of investment, which are easily convertible to a known amount of cash and carry minimal risk of change in value.

### **3. Financial Investments**

#### ***Held-to-maturity Investments***

Investments classified as held-to-maturity are those that the Company intends and is able to hold until maturity. These include term deposits at banks (including promissory notes, certificates of deposit), bonds, redeemable preference shares that the issuer is obligated to repurchase at a specific



## **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

### **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

#### **Notes to the Financial Statement (continued)**

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future date, and loans held to maturity with the objective of earning periodic interest income, as well as other investments intended to be held until maturity.

Initial recognition of held-to-maturity investments is at cost, including purchase price and transaction costs related to acquiring the investments. After initial recognition, these investments are measured at their recoverable value. Interest income earned after the date of purchase is recognized in the income statement on an accrual basis. Any interest received before the Company acquires the investments is deducted from the initial cost at the time of purchase.

When there is conclusive evidence that a portion or the entire investment may not be recoverable, and the amount of loss can be reliably determined, the loss is recognized in the financial expenses for the period and directly deducted from the value of the investment.

#### ***Investments in Associates***

##### ***Associated Company***

An associated company is an entity over which the Company has significant influence but does not have control over its financial and operating policies. Significant influence is the ability to participate in the financial and operating policy decisions of the investee but not control or jointly control those policies.

##### ***Initial Recognition***

Investments in associated companies are initially recognized at cost, including the purchase price or contributed capital plus directly attributable investment costs. In cases where the investment is made using non-monetary assets, the cost of the investment is recorded at the fair value of the non-monetary assets at the time of the transaction.

Dividends and profits from periods prior to the acquisition of the investment are deducted from the carrying value of the investment itself. Dividends and profits from periods after the acquisition of the investment are recognized as revenue. Dividends received in the form of shares are only recorded as an increase in the number of shares, without recognizing the value of the shares received.

##### ***Provision for Investment Losses in Associated Companies***

A provision for investment losses in associated companies is established when the associated company incurs losses. The provision amount is determined as the difference between the actual capital contribution of the parties to the associated company and the actual equity, multiplied by the Company's ownership ratio in the associated company's charter capital. If the associated company prepares consolidated financial statements, the provision for losses is based on the consolidated financial statements.

Adjustments to the provision for investment losses in associated companies, determined as of the financial year-end, are recognized in financial expenses.

#### **4. Receivables**

Receivables are presented at their book value, net of provisions for doubtful debts.

Receivables are classified as trade receivables and other receivables based on the following principles:



## **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

### **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

#### **Notes to the Financial Statement (continued)**

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- Trade receivables represent amounts due from customers that are of a commercial nature, arising from transactions involving the purchase and sale of goods or services between the Company and independent buyers.
- Other receivables represent non-commercial amounts due that are unrelated to purchase or sale transactions.

Provisions for doubtful debts are established for each doubtful receivable based on the expected level of loss that may occur.

Increases or decreases in the balance of provisions for doubtful debts, as required at the end of the financial year, are recognized in administrative expenses.

#### **5. Inventories**

Inventories are recorded at the lower of cost and net realizable value (NRV).

The cost of inventories is determined as follows:

- Raw materials: Includes purchase costs and other directly related costs incurred to bring the inventory to its current location and condition.
- Work-in-progress costs: Includes the cost of primary raw materials, labor costs, and other directly related expenses.

The cost of inventory is calculated using the weighted average method and accounted for under the perpetual inventory system.

NRV is the estimated selling price of inventory in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Provisions for inventory write-downs are established for each item of inventory whose cost exceeds its NRV. For unfinished services, provisions are calculated based on the specific type of service with its own pricing. Increases or decreases in the provision for inventory write-downs required at the end of the accounting period are recognized in the cost of goods sold.

#### **6. Prepaid Expenses**

Prepaid expenses include actual costs incurred that relate to the production and business activities of multiple accounting periods. The Company's prepaid expenses mainly consist of expenses for tools, equipment, and costs for repairing, renovating, and installing pipelines. These prepaid expenses are allocated over the prepaid period or the period during which the corresponding economic benefits are realized.

##### **Tools and Equipment**

Tools and equipment in use are allocated to expenses using the straight-line method over an allocation period of no more than 36 months.

##### **Repair, Renovation, and Installation Costs for Pipelines**

Costs related to the repair, renovation, and installation of pipelines are allocated to expenses using the straight-line method over an allocation period of no more than 36 months.

#### **7. Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the Company to acquire the assets up to the point they are



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#### Notes to the Financial Statement (continued)

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ready for use. Post-acquisition costs are added to the cost of the fixed asset only if it is certain that these costs will increase the future economic benefits derived from using the asset. Costs that do not meet this condition are recorded as production or business expenses in the period.

When tangible fixed assets are sold or liquidated, their cost and accumulated depreciation are derecognized, and any resulting gain or loss is recorded as income or expense in the period.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives. The depreciation periods for various types of tangible fixed assets are as follows:

<u>Type of Fixed Asset</u>	<u>Useful Life (Years)</u>
Buildings and structures	05 - 25
Machinery and equipment	03 - 08
Transportation and transmission equipment	06 - 16
Management tools and equipment	03 - 05

#### 8. Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization.

The cost of intangible fixed assets includes all expenses incurred by the Company to acquire the assets up to the point they are ready for use. Post-acquisition costs related to intangible fixed assets are recorded as production or business expenses in the period unless these costs are associated with a specific intangible fixed asset and increase the economic benefits derived from it.

When intangible fixed assets are sold or liquidated, their cost and accumulated amortization are derecognized, and any resulting gain or loss is recorded as income or expense for the year.

#### Types of Intangible Fixed Assets:

##### *Land Use Rights*

Land use rights include all actual expenses incurred by the Company directly related to the use of the land, such as payments for acquiring land use rights, compensation costs, land clearance costs, leveling costs, and registration fees. These land use rights are amortized using the straight-line method based on the land lease term.

##### *Computer Software Programs*

Costs related to computer software programs that are not integral components of related hardware are capitalized. The cost of computer software includes all expenses incurred by the Company up to the point the software is ready for use. Computer software is amortized using the straight-line method over a period not exceeding 5 years.

#### 9. Work-in-Progress Construction Costs

Work-in-progress construction costs reflect direct expenses (including related borrowing costs in accordance with the Company's accounting policies) incurred for assets under construction, machinery and equipment being installed for production, leasing, or management purposes, as well as costs related to ongoing repairs of fixed assets. These assets are recorded at cost and are not depreciated.



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#### **Notes to the Financial Statement (continued)**

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#### **10. Payables and Accrued Expenses**

Payables and accrued expenses are recognized for amounts to be paid in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates of the amounts to be paid.

Payables are classified as trade payables, accrued expenses, and other payables according to the following principles:

- **Trade Payables:** Represent amounts payable of a commercial nature arising from transactions involving the purchase of goods, services, or assets, with suppliers that are independent of the Company.
- **Accrued Expenses:** Reflect amounts payable for goods or services already received from suppliers or delivered to customers but not yet paid due to the absence of invoices or incomplete accounting documentation. They also include amounts payable to employees for leave wages and provisions for production and business expenses.
- **Other Payables:** Represent non-commercial amounts payable that are unrelated to the purchase, sale, or supply of goods and services.

Payables and accrued expenses are classified as short-term or long-term on the Balance Sheet based on their remaining term as of the financial year-end.

#### **11. Science and Technology Development Fund**

The Science and Technology Development Fund is established to create financial resources for the Company's science and technology activities, including:

- Providing financial support to implement science and technology research topics and projects.
- Supporting science and technology development:
  - Equipping facilities and technical infrastructure for science and technology activities.
  - Purchasing machinery and equipment to directly modernize technology for production.
  - Acquiring technology licenses, patents, utility solutions, industrial designs, scientific and technological information, documents, and related products to support science and technology activities.
  - Paying salaries, hiring experts, or contracting with scientific and technological organizations to perform science and technology activities.
  - Expenses for training science and technology personnel in accordance with legal regulations on science and technology.
  - Funding initiatives for technical improvements and production optimization.
  - Costs associated with collaborative research and development in science and technology with Vietnamese organizations and enterprises.

Fixed assets formed from the Science and Technology Development Fund are recorded as a reduction in the fund and are not subject to depreciation.

The appropriation rate for the Science and Technology Development Fund is 10% of taxable income for the year, as stipulated in the fund's charter and operating guidelines, and is recorded as an expense. If annual expenses for science and technology activities exceed the available balance in the fund, the excess amount is either recorded as an expense or allocated to subsequent years.

#### **12. Owners' Equity**

##### ***Owners' capital***

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



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##### ***Share premium***

Share premium is recognized as the difference between the issuance price and the par value of shares during the initial or additional issuance, the difference between the reissue price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to additional share issuance and reissuance of treasury shares are deducted from the share premium.

##### ***Owners' other capital***

Other owners' capital is formed from allocations of business results, asset revaluation, and the residual value between the fair value of donated, gifted, or sponsored assets and any taxes payable (if applicable) related to these assets.

##### ***Treasury shares***

When the Company repurchases its own shares, the payment, including any related transaction costs, is recorded as treasury shares and reflected as a deduction from equity. Upon reissuance, the difference between the reissue price and the book value of the treasury shares is recorded under the "Share Premium" account.

#### **13. Profit Distribution**

Profit after corporate income tax is distributed to shareholders after allocations to reserves as stipulated in the Company's Charter and legal regulations, and upon approval by the General Meeting of Shareholders (GMS).

When distributing profits to shareholders, consideration is given to non-monetary items included in undistributed post-tax profits that may affect cash flow and dividend payment capacity. These items include gains from asset revaluation used as capital contributions, gains from the revaluation of monetary items, financial instruments, and other non-monetary items.

Dividends are recognized as liabilities once approved by the GMS and upon issuance of a dividend payment resolution by the Board of Directors.

#### **14. Revenue Recognition**

##### ***Revenue from goods sold***

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred the majority of risks and benefits associated with ownership of the goods to the buyer.
- The Company no longer retains control or managerial involvement over the goods as the owner.
- Revenue can be reliably measured. For contracts where the buyer has the right to return goods under specific conditions, revenue is recognized only when those conditions no longer exist, and the buyer no longer has the right to return the goods (except for cases where the buyer exchanges goods for other goods or services).
- The Company has received or will receive the economic benefits from the sales transaction.
- The costs associated with the sales transaction can be identified.

##### ***Revenue from services rendered***

Revenue from providing services is recognized when all of the following conditions are satisfied:



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- Revenue can be reliably measured. For contracts where the buyer has the right to return services under specific conditions, revenue is recognized only when those conditions no longer exist, and the buyer no longer has the right to return the services provided.
- The Company has received or will receive the economic benefits from the service transaction.
- The portion of services completed by the reporting date can be determined.
- The costs incurred for the transaction and the costs required to complete the service can be identified.

For services rendered over multiple periods, revenue for the period is recognized based on the results of the completed portion of the service as of the financial year-end.

#### ***Interest Income***

Interest income is recognized on a time-proportion basis using the effective interest rate for each period.

#### **15. Revenue deductions**

Revenue deductions include returns of goods and services, which are recognized as a reduction of revenue in the same period the goods or services are sold.

For goods or services sold in previous years, where returns occur in the current year, revenue is adjusted according to the following principles:

- If the return occurs before the issuance of the financial statements, it is recognized as a reduction of revenue in the financial statements for the current year.
- If the return occurs after the issuance of the financial statements, it is recognized as a reduction of revenue in the financial statements for the following year.

#### **16. Borrowing Costs**

Borrowing costs include interest expenses and other directly related costs incurred in connection with loans.

Borrowing costs are recognized as expenses when incurred. If borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets under construction that require a substantial period of time (over 12 months) to be ready for their intended use or sale, such costs are capitalized as part of the asset's value. For specific loans used for constructing fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income earned from the temporary investment of borrowed funds is deducted from the asset's original cost.

For general borrowings used partly for the construction or production of qualifying assets, the amount of borrowing costs capitalized is determined using a capitalization rate applied to the weighted average cumulative expenditure incurred for the construction or production of the asset. The capitalization rate is calculated as the weighted average interest rate of outstanding loans during the period, excluding specific loans directly attributable to the acquisition of a particular asset.

#### **17. Expenses**

Expenses are reductions in economic benefits, recognized at the time a transaction occurs or when it is reasonably certain that they will occur in the future, regardless of whether payment has been made.



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#### Notes to the Financial Statement (continued)

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Expenses and the revenues they generate must be recognized simultaneously according to the matching principle. In cases where the matching principle conflicts with the prudence principle, expenses are recognized based on the nature of the transaction and in compliance with accounting standards to ensure a fair and truthful representation of the transaction.

#### 18. Corporate income tax

The corporate income tax expense includes current corporate income tax and deferred corporate income tax.

##### *Current corporate income tax*

Current corporate income tax is calculated based on taxable income. Taxable income differs from accounting profit due to temporary differences between tax and accounting treatments, non-deductible expenses, adjustments for non-taxable income, and carried-forward losses.

##### *Deferred corporate income tax*

Deferred corporate income tax is the tax payable or recoverable due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available in the future to utilize these deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each accounting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to utilize the benefits of all or part of the deferred tax assets. Previously unrecognized deferred tax assets are reassessed at the end of each accounting period and recognized if it becomes probable that future taxable profits will be sufficient to recover these deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year when the asset is realized, or the liability is settled, based on the rates enacted or substantively enacted as of the end of the accounting period. Deferred tax is recognized in the income statement, except for cases where it relates to items directly recorded in equity, in which case it is recorded directly in equity.

Deferred tax assets and liabilities are offset when:

- The Company has a legal right to offset current tax assets against current tax liabilities; and
- Deferred tax assets and liabilities relate to corporate income tax managed by the same tax authority:
  - For the same taxable entity; or
  - The Company intends to settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously in each future period when significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 19. Related Parties

Parties are considered related if one party has the ability to control or significantly influence the other party's decisions regarding financial and operating policies. Parties are also deemed related if they are subject to common control or significant common influence.

In assessing the relationship between related parties, the substance of the relationship takes precedence over legal form.

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**Notes to the Financial Statement** (continued)

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#### **20. Segment Reporting**

A business segment is a distinguishable component engaged in the production or provision of products or services, subject to risks and economic benefits different from those of other business segments.

A geographical segment is a distinguishable component engaged in the production or provision of products or services within a specific economic environment and is subject to risks and economic benefits different from those of segments operating in other economic environments.

Segment information is prepared and presented in accordance with the accounting policies applied for the preparation and presentation of the Company's financial statements

#### **21. Financial Instruments**

##### ***Financial Assets***

The classification of financial assets depends on their nature and purpose, determined at the time of initial recognition. The Company's financial assets include cash and cash equivalents, trade receivables, and other receivables.

At the time of initial recognition, financial assets are recorded at cost, including transaction costs directly related to those financial assets.

##### ***Financial Liabilities***

The classification of financial liabilities depends on their nature and purpose, determined at the time of initial recognition. The Company's financial liabilities include trade payables, loans, and borrowings, as well as other payables.

At the time of initial recognition, financial liabilities are recorded at cost, net of transaction costs directly related to those financial liabilities.

##### ***Equity Instruments***

Equity instruments represent contracts that provide evidence of residual interest in the Company's assets after deducting all liabilities.

##### ***Offsetting Financial Instruments***

Financial assets and financial liabilities are offset and presented on a net basis in the Balance Sheet only when the Company:

- Has a legal right to offset the recognized amounts; and
- Intends to settle on a net basis or realize the assets and settle the liabilities simultaneously.



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**Notes to the Financial Statement (continued)****V. NOTES TO THE BALANCE SHEET**

Currency: VND

**1. Cash and Cash Equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	8.968.556	740.643
Demand deposits	987.192.511	3.523.921.267
Cash equivalents	3.113.287.100	3.094.971.700
<b>Total</b>	<b><u>4.109.448.167</u></b>	<b><u>6.619.633.610</u></b>

**2. Financial Investments**

The Company's financial investments include held-to-maturity investments and equity contributions to other entities. Details of the Company's financial investments are as follows:

**2a. Held-to-Maturity Investments**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Carrying value</u>	<u>Cost</u>	<u>Carrying value</u>
<i>Short-term</i>				
Term deposits	113.737.310.673	113.737.310.673	99.878.796.849	99.878.796.849
<b>Total</b>	<b><u>113.737.310.673</u></b>	<b><u>113.737.310.673</u></b>	<b><u>99.878.796.849</u></b>	<b><u>99.878.796.849</u></b>

**2b. Equity Contributions to Other Entities**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
Suoi Dau Water supply and Sewerage construction investment Joint stock Company <sup>(i)</sup>	24.000.000.000	-	24.000.000.000	-
<b>Total</b>	<b><u>24.000.000.000</u></b>	<b><u>-</u></b>	<b><u>24.000.000.000</u></b>	<b><u>-</u></b>

- (\*) According to Business Registration Certificate No. 4201574467 dated September 27, 2013, issued by the Khanh Hoa Department of Planning and Investment, the Company invested 24,000,000,000 VND in Suoi Dau Water supply and Sewerage construction investment Joint stock Company, equivalent to 30% of its charter capital. As of the end of the fiscal year and the beginning of the year, the Company had fully contributed the committed charter capital.

*Fair value*

Suoi Dau Water supply and Sewerage construction investment Joint stock Company is currently operating normally, with no significant changes compared to the previous year.

*Operations of the Associated Company*

Suoi Dau Water supply and Sewerage construction investment Joint stock Company is currently operating normally and has begun generating profits.

*Transactions with the Associated Company*

Key transactions between the Company and the associated company are as follows:

	<u>Ending balance</u>	<u>Accumulated Beginning balance</u>
Received cash dividends	-	-



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**Notes to the Financial Statement (continued)**

		Accumulated					
		Ending balance	Beginning balance				
Purchased water		14.458.815.000	13.149.454.500				
Project construction expenses payable		-	-				
Received bonuses		-	-				
Revenue from material sales		-	-				
Sum		14.458.815.000	13.149.454.500				
3. Short-term trade receivable							
		Ending balance	Beginning balance				
Receivables from water supply sales		40.926.014.949	41.617.327.926				
Nha Trang City Public Utility Management Board		-	1.482.585.642				
Other receivables		62.736.000	62.736.000				
Total		40.988.750.949	43.162.649.568				
4. Short-term prepayments to suppliers							
		Ending balance	Beginning balance				
SIX SENSES TRAVEL Co., Ltd		480.000.000	-				
VTH GROUP Co., Ltd		313.608.000	-				
TMT Trading and Construction Co., Ltd		-	209.602.000				
Other suppliers		837.521.780	156.600.000				
Total		1.631.129.780	366.202.000				
5. Other short-term receivables							
		Ending balance		Beginning balance			
		Value	Provision	Value	Provision		
Accrued interest income from term deposits		945.731.371	-	1.459.533.728	-		
Personal income tax arrears		-	-	596.436.500	-		
Advances		113.400.000	-	64.000.000	-		
Short-term deposits, guarantees, and collaterals		20.000.000	-	20.000.000	-		
Others		100.819.419	-	103.219.419	-		
Total		1.179.950.790	-	2.243.189.647	-		
6. Doubtful debts							
		Ending balance			Beginning balance		
		Overdue Time	Cost	Recoverable Value	Overdue Time	Cost	Recoverable Value
Short-term prepayments to suppliers							
Catsoft Joint Stock Company	Over 10 years		53.600.000	-	Over 10 years	53.600.000	-
504 Joint Stock	Over 10 years		100.000.000	-	Over 10 years	100.000.000	-



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**Notes to the Financial Statement (continued)**

	Ending balance			Beginning balance		
	Overdue Time	Cost	Recover- able Value	Overdue Time	Cost	Recover- able Value
Company						
<b>Total</b>		<b>153.600.000</b>	<b>-</b>		<b>153.600.000</b>	<b>-</b>

The changes in the short-term receivables provision are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Beginning balance	153.600.000	153.600.000
Additional provision allocation	-	-
<b>Ending balance</b>	<b>153.600.000</b>	<b>153.600.000</b>

**7. Inventories**

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Materials and supplies	25.128.861.826	-	22.529.448.390	-
Tools stocked in warehouse	52.904.562	-	59.404.562	-
Work-in-progress production and business costs	1.557.918.321	-	1.030.672.710	-
<b>Total</b>	<b>26.739.684.709</b>	<b>-</b>	<b>23.619.525.662</b>	<b>-</b>

**8. Prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term prepaid expenses		
Allocation of short-term tools and equipment costs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Long-term prepaid expenses		
Allocation of long-term tools and equipment costs	4.381.405.069	5.290.041.411
<b>Total</b>	<b>4.381.405.069</b>	<b>5.290.041.411</b>



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**Notes to the Financial Statement** (continued)**9. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Transportation and transmission equipment	Management tools and equipment	Total
<b>COST</b>					
Beginning balance	92.751.833.963	318.477.277.649	865.190.814.563	2.726.291.868	1.279.146.218.043
-New purchases in the year	-	-	1.149.000.000	-	1.149.000.000
-Completed construction investments	646.920.370	1.578.133.182	6.287.569.591	605.669.609	9.118.292.752
-Liquidation and sales	-	-	-	-	-
-Deduction from original cost	-	-	-	-	-
<b>Ending balance</b>	<b>93.398.754.333</b>	<b>320.055.410.831</b>	<b>872.627.384.154</b>	<b>3.331.961.477</b>	<b>1.289.413.510.795</b>
<i>In which:</i>					
-Fully depreciated but still in use	42.212.968.315	205.345.556.987	363.138.462.943	1.604.264.596	612.301.252.841
-Awaiting liquidation	-	-	-	-	-
<b>ACCUMULATED DEPRECIATION</b>					
Beginning balance	74.754.930.682	258.581.269.678	549.226.900.769	2.482.954.552	885.046.055.681
-Depreciation during the year	837.825.984	5.090.341.292	15.709.749.842	112.515.954	21.750.433.072
-Liquidation and sales	-	-	-	-	-
<b>Ending balance</b>	<b>75.592.756.666</b>	<b>263.671.610.970</b>	<b>564.936.650.611</b>	<b>2.595.470.506</b>	<b>906.796.488.753</b>
<b>NET BOOK VALUE</b>					
Beginning balance	17.996.903.281	59.896.007.971	315.963.913.794	243.337.316	394.100.162.362
<b>Ending balance</b>	<b>17.805.997.667</b>	<b>56.383.799.861</b>	<b>307.690.733.543</b>	<b>736.490.971</b>	<b>382.617.022.042</b>



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**Notes to the Financial Statement (continued)****10. Intangible fixed assets**

	<b>Land use rights</b>	<b>Computer software programs</b>	<b>Total</b>
<b>COST</b>			
Beginning balance	24.636.685.000	4.117.704.400	28.754.389.400
<b>Ending balance</b>	<b>24.636.685.000</b>	<b>4.192.404.400</b>	<b>28.829.089.400</b>
<i>In which:</i>			
-Fully Depreciated but still in use	-	3.935.674.400	3.935.674.400
<b>ACCUMULATED DEPRECIATION</b>			
Beginning balance	11.829.544.546	4.011.502.524	15.841.047.070
Depreciation during the year	221.932.194	18.098.835	233.806.029
<b>Ending balance</b>	<b>12.051.476.740</b>	<b>4.029.601.359</b>	<b>16.081.078.099</b>
<b>NET BOOK VALUE</b>			
Beginning balance	12.807.140.454	106.201.876	12.913.342.330
<b>Ending balance</b>	<b>12.585.208.260</b>	<b>162.803.041</b>	<b>12.748.011.301</b>
<i>In which:</i>			
-Temporarily not in use	-	-	-
-Awaiting liquidation	-	-	-

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### **Notes to the Financial Statement (continued)**

#### **11. Work-in-Progress Construction Costs**

	Beginning balance	Expenses incurred during the year	Transferred to fixed assets during the year	Other reductions in transfers	Ending balance
Work-in-progress construction					
- DN700-900 Pipeline: Cao Ba Quat - Cau Lung	470.589.467	-	-	-	470.589.467
- Construction of a water storage tank & booster pumping station at Trang E Industrial Cluster	225.127.407	-	-	-	225.127.407
- Renovation and replacement of HDPE pipelines DN150, 100, 50, 33 – Xuân Lạc Street – Vĩnh Ngọc (from the intersection with LĐC to Hàm Rồng Tourist Area)	-	637.264.687	-	-	637.264.687
- Others Water Supply Pipeline Projects	1.461.524.606	8.720.770.219	8.720.770.219	1.475.747.230	2.608.563.597
<b>Total</b>	<b>1.932.114.073</b>	<b>9.358.034.906</b>	<b>8.720.770.219</b>	<b>1.475.747.230</b>	<b>3.941.545.158</b>



**KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ending 31 December, 2025

**Notes to the Financial Statement (continued)****12. Short-term trade payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>		
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	5.026.455.000	4.902.345.000
<i>Payables to other suppliers</i>		
Son Thanh Water supply and sewerage investment construction Joint stock Company	1.762.362.000	1.381.964.850
TNG Investment and Construction Joint Stock Company	-	2.611.974.777
DNP Holding Joint Stock Co.	5.520.379.394	-
EMIC Electrical Measuring Instrument Joint Stock Co.	3.808.782.000	-
Hawaco Southern Corporation	-	926.478.000
Y Cuong Thinh Trading services Co., LTD	-	828.575.000
Hoang Thinh Maritime Technical Service Joint Stock Co.	185.598.100	185.598.100
Bien Hoa Chemical Plant - The Branch Of South Basic Chemicals Joint Stock Co.	-	155.931.480
Other suppliers	1.064.494.963	17.118.000
<b>Total</b>	<b><u>17.368.071.457</u></b>	<b><u>11.009.985.207</u></b>

The Company has no overdue trade payables that remain unpaid.

**13. Short-term advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Land Development Center of Khanh Hoa Province	1.261.098.000	1.261.098.000
Ben Du Thuyen Hotel Joint Stock Company	319.767.000	319.767.000
Other customers	202.742.000	255.945.000
<b>Total</b>	<b><u>1.783.607.000</u></b>	<b><u>1.836.810.000</u></b>

# KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phường Sai Ward, Nha Trang City, Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ending 31 December, 2025

Notes to the Financial Statement (continued)

14. Tax and other obligations to the State						
14a. Tax and other obligations to the State						
	Beginning balance		Amount paid during the year	Amount payable during the year	Ending balance	
	Receivables	Payables			Receivables	Payables
VAT on domestic sales	-	640.806.419	5.157.395.154	5.020.803.726	-	504.214.991
VAT on urban drainage fees collected and remitted	-	569.942.614	1.735.281.077	1.718.065.188	-	552.726.725
Corporate income tax	-	2.607.964.757	3.000.000.000	1.637.946.452	-	1.245.911.209
Personal income tax	-	1.506.217.500	2.207.406.800	1.277.816.300	-	576.627.000
Natural resource tax	-	146.435.040	434.116.120	439.583.080	-	151.902.000
Land lease fees	-	-	-	-	-	-
Business license fees	-	-	4.000.000	4.000.000	-	-
Other fees, charges, and payable amounts:	-	7.479.226.954	21.483.923.588	21.563.119.488	-	7.558.422.854
- Urban drainage fees	-	6.768.068.539	20.606.462.791	20.402.024.107	-	6.563.629.855
- Forest protection service fees	-	634.635.768	634.635.768	625.478.256	-	625.478.256
- Environment protection fees	-	76.522.647	242.825.029	241.847.375	-	75.544.993
- Water resource exploitation fees	-	-	-	293.769.750	-	293.769.750
<b>Total</b>	-	<b>12.950.593.284</b>	<b>34.022.122.739</b>	<b>31.661.334.234</b>	-	<b>10.589.804.779</b>



**KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ending 31 December, 2025

**Notes to the Financial Statement (continued)****14b. Corporate income tax (CIT)**

The Company pays CIT for income from water production activities at a tax rate of 10%, while income from other activities is subject to a tax rate of 20%.

The CIT payable for the year is estimated as follows:

	<b>Accumulated in 2025</b>
Total Accounting Profit Before Tax	16 181 093 402
Adjustments to Accounting Profit to Determine Taxable Income:	
- Additions	55.800.000
- Deductions	-
Taxable Income	16.236.893.402
Corporate Income Tax Rates	20%
<b>CIT Payable at the Standard Tax Rate</b>	<b>3.247.378.680</b>
<b>CIT Adjustments Due to Rate Differences</b>	<b>(1.609.432.228)</b>
<b>CIT Accrued in Previous Quarters</b>	<b>-</b>
<b>Total Remaining CIT Payable</b>	<b>1.637.946.452</b>

The determination of CIT payable is based on current tax regulations. However, these regulations are subject to change over time, and tax rules for various transactions can be interpreted differently. Therefore, the amount of tax presented in the financial statements may change following tax authority audits.

**14c. Resource Tax**

The company is required to pay resource tax on water used for production, with a tax base of 4,000 VND/m<sup>3</sup> and a tax rate of 1%.

**14d. Land Lease and Property Tax**

Land lease and property taxes are paid according to the notification from the tax authority.

**14e. Other Taxes**

The company declares and pays taxes in accordance with regulations.

**15. Short-Term Payables**

	<b>Ending balance</b>	<b>Beginning balance</b>
Expenses related to environmental protection fees for domestic wastewater	352.992.000	364.013.000
Prepaid expense used for Natural Disaster Prevention and Control Fund	100.000.000	-
Other Short-Term Payables	3.497.655.609	4.294.062.983
<b>Total</b>	<b>3.950.647.609</b>	<b>4.658.075.983</b>

**16. Other Short-Term/ Long-Term Payables****16a. Other Short-Term Payables**

	<b>Ending balance</b>	<b>Beginning balance</b>
<b>Payables to Related Parties</b>		
Khanh Hoa Provincial People's Committee -	1.658.934.000	1.658.934.000

**KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

**Notes to the Financial Statement (continued)**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receipt of asset transfer		
<b><i>Payables to Other Organizations and Individuals</i></b>		
Union fund	143.631.000	135.285.000
Social insurance	(18.123.189)	14.492.446
Short-term deposits, guarantees, and collateral received	4.558.285.193	4.518.285.193
Deferred interest		-
Payables to Drainage Construction Enterprise	195.462.201	431.233.658
Payables to Khanh Son WaterPlant	-	5.990.854
Other short-term payables	657.547.070	-
<b>Total</b>	<b><u>7.195.736.275</u></b>	<b><u>6.764.221.151</u></b>
<b>16b. Other Long-Term Payables</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
<b><i>Payables to Related Parties</i></b>		
Khanh Hoa Provincial People's Committee - Receipt of asset transfer	9.932.332.308	9.932.332.308
<b><i>Payables to Other Organizations and Individuals</i></b>		
Annual dividends payable to shareholders	48.619.993.200	-
<b>Total</b>	<b><u>58.552.325.508</u></b>	<b><u>9.932.332.308</u></b>
<b>17. Short-Term/ Long-Term Borrowings</b>		
<b>17a. Short-Term Borrowings</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Current Portion of Long-Term Borrowings (Note V.18b)		
- Khanh Hoa Development Investment Fund	18.583.000.000	26.075.000.000
- Khanh Hoa Provincial Budget	6.097.324.932	6.097.324.932
<b>Total</b>	<b><u>24.680.324.932</u></b>	<b><u>32.172.324.932</u></b>
<b>17b. Long-Term Borrowings</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Loan from Khanh Hoa Development Investment Fund <sup>(1)</sup>	97.809.146.000	92.768.146.000
Long-term loan from Khanh Hoa Provincial Budget	12.194.648.659	12.194.648.659
<b>Total</b>	<b><u>110.003.794.659</u></b>	<b><u>104.962.794.659</u></b>

The company is capable of repaying its long-term loans.

- <sup>(1)</sup> Loans from Khanh Hoa Development Investment Fund
- Credit Agreement No. 09/2017/HĐTD – ĐTPT:
  - Date: 27 December, 2017
  - Loan Limit: 41.150.000.000 VND
  - Loan Term: 126 months from the first disbursement



## KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

### FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

#### Notes to the Financial Statement (continued)

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- Repayment Term: 120 months starting after the end of the grace period
- Interest Rate: 8,29%/year
- Purpose: Renovation and upgrading of the DN700 water pipeline along 23/10 Street, from Vo Canh Water Treatment Plant to Cau Dua, Nha Trang
- Outstanding Principal Balance (as of 31 March, 2025): 10.149.000.000 VND
  
- Credit Agreement No. 17/2020/HĐTD – ĐTPT:
  - Date: 9 December, 2020
  - Loan Limit: 43.290.000.000 VND
  - Loan Term: 136 months from the first disbursement
  - Repayment Term: 132 months starting after the end of the grace period
  - Interest Rate: 8,29%/year
  - Purpose: Investment in the project "DN700 Water Pipeline along 23/10 Street (from Ma Vong to Cau Dua)"
  - Outstanding Principal Balance (as of 31 March, 2025): 13.254.000.000 VND
  
- Credit Agreement No. 03/2019/HĐTD – ĐTPT:
  - Date: 22 May, 2019
  - Loan Limit: 11.700.000.000 VND
  - Loan Term: 141 months from the first disbursement
  - Repayment Term: 139 months starting after the end of the grace period
  - Interest Rate: 8,29%/year
  - Purpose: Renovation of the To Hap Water Treatment Plant
  - Outstanding Principal Balance (as of 31 March, 2025): 3.245.000.000 VND.
  
- Credit Agreement No. 12/2022/HĐTD – ĐTPT
  - Date: 6 July, 2022
  - Loan Limit: 3.787.000.000 VND
  - Loan Term: 74 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing the old DN500 and DN400 pipelines cross Ha Ra Bridge (km6+900 National Route 1C)
  - Outstanding Principal Balance (as of 31 March, 2025): 1.251.000.000 VND
  
- Credit Agreement No. 01/2023/HĐTD-ĐTPT
  - Date: 7 April, 2023
  - Loan Limit: 6.740.000.000 VND
  - Maximum Loan Term: 87 months from the first disbursement
  - Repayment Term: 84 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in renovating the remaining four filters in treatment cluster A (part of the Phase 2 of Vo Canh Water Treatment Plant renovation project)
  - Outstanding Principal Balance (as of 31 March, 2025): 4.169.000.000 VND
  
- Credit Agreement No. 02/2023/HĐTD – ĐTPT
  - Date: 27 June, 2023
  - Loan Limit: 4.655.000.000 VND
  - Loan Term: 73 months from the first disbursement

## **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

### **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

#### **Notes to the Financial Statement (continued)**

---

- Repayment Term: 72 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in replacing the old PVC pipelines with HDPE DN150, DN100 water pipelines along Le Hong Phong Street (from Ma Vong to Phuoc Long)
- Outstanding Principal Balance (as of 31 March, 2025): 2.772.000.000 VND
  
- Credit Agreement No. 03/2023/HĐTD – ĐTPT
- Date: 27 June, 2023
- Loan Limit: 3.583.000.000 VND
- Loan Term: 73 months from the first disbursement
- Repayment Term: 72 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in replacing the old PVC DN100, DN50 pipelines with HDPE DN100, DN50 water pipelines in the Hon Ro 1 Residential Area (from the Binh Tan Bridge intersection to Hon Ro Market)
- Outstanding Principal Balance (as of 31 March, 2025): 2.148.000.000 VND
  
- Credit Agreement No. 04/2023/HĐTD – ĐTPT
- Date: 27 June, 2023
- Loan Limit: 2.236.000.000 VND
- Loan Term: 73 months from the first disbursement
- Repayment Term: 72 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in replacing the old PVC DN150, DN100, DN50 pipelines with HDPE DN200, DN100 water pipelines along Da Tuong Street (from Truong Sa Street intersection to Tran Phu Street intersection)
- Outstanding Principal Balance (as of 31 March, 2025): 1.572.000.000 VND
  
- Credit Agreement No. 05/2023/HĐTD – ĐTPT
- Date: 27 June, 2023
- Loan Limit: 6.320.000.000 VND
- Loan Term: 73 months from the first disbursement
- Repayment Term: 72 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in replacing the old PVC DN200, DN150, DN100, DN50 pipelines with HDPE DN300, DN150, DN100, DN50 water pipelines along 2/4 Street (from Nguyen Xien to Tran Quy Cap)
- Outstanding Principal Balance (as of 31 March, 2025): 3.863.000.000 VND
  
- Credit Agreement No. 08/2023/HĐTD – ĐTPT
- Date: 21 September, 2023
- Loan Limit: 4.390.000.000 VND
- Loan Term: 85 months from the first disbursement
- Repayment Term: 84 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in HDPE DN300, DN50 water pipelines along Nguyen Luong Bang Street (from Vinh Phuong Bridge to the intersection with National Route 1)
- Outstanding Principal Balance (as of 31 March, 2025): 2.635.000.000 VND



## **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

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### **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

#### **Notes to the Financial Statement (continued)**

---

- Credit Agreement No. 19/2023/HĐTD – ĐTPT
  - Date: 20 November, 2023
  - Loan Limit: 3.586.000.000 VND
  - Loan Term: 67 months from the first disbursement
  - Repayment Term: 66 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing the old cast iron DN350 and PVC DN50 pipelines with DN300 and DN100 water pipelines along 23/10 Street (Dien An - Dien Khanh, right-hand side of the route)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.706.000.000 VND
  
- Credit Agreement No. 21/2023/HĐTD – ĐTPT
  - Date: 20 November, 2023
  - Loan Limit: 5.130.000.000 VND
  - Loan Term: 85 months from the first disbursement
  - Repayment Term: 84 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing the old PVC DN300 and DN100 pipelines with DN300 and DN100 water pipelines, along National Route 1 (from Dac Loc Industrial Zone to Vinh Phuong Intersection)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.976.146.000 VND
  
- Credit Agreement No. 01/2024/HĐTD – ĐTPT
  - Date: 24 January, 2024
  - Loan Limit: 4.430.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC DN300, DN150, DN100 pipelines with DN300, DN150, DN100 water pipelines, along Dien Bien Phu Street (from 2/4 Street intersection to the Pham Van Dong Street intersection)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.568.000.000 VND
  
- Credit Agreement No. 02/2024/HĐTD – ĐTPT
  - Date: 21 March, 2024
  - Loan Limit: 49.000.000.000 VND
  - Loan Term: 107 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in constructing the DN400 water pipeline along Vo Nguyen Giap Street and To Huu Street (from the intersection with National Route 1 Bypass to Le Hong Phong Street)
  - Outstanding Principal Balance (as of 31 March, 2025): 41.424.000.000 VND
  
- Credit Agreement No. 20/2023/HĐTD – ĐTPT
  - Date: 20 November, 2023
  - Loan Limit: 3.330.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 102 months starting after the end of the grace period

## KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

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### FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2025

#### Notes to the Financial Statement (continued)

---

- Interest Rate: 7,9%/year
- Purpose: Investment in replacing old PVC DN300, DN150, DN100 pipelines with DN300, DN150, DN100 water pipelines along Tran Hung Dao Street, Pasteur Street, and Le Loi Street - Loc Tho and Xuong Huan Wards, Nha Trang City (from Le Thanh Ton Street to Ngo Quyen Street)
- Outstanding Principal Balance (as of 31 March, 2025): 2.489.000.000 VND
  
- Credit Agreement No. 04/2024/HĐTD – ĐTPT
  - Date: 26 June, 2024
  - Loan Limit: 3.535.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC DN300, DN100 pipelines with DN300, DN100 water pipelines along Hung Vuong Street, Biet Thu Street (from Le Thanh Ton Street to Biet Thu Street to Tran Phu Street)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.585.000.000 VND
  
- Credit Agreement No. 06/2024/HĐTD – ĐTPT
  - Date: 26 June, 2024
  - Contract Addendum No.1 dated 30 September, 2024
  - Loan Limit: 1.477.000.000 VND
  - Loan Term: 54 months from the first disbursement
  - Repayment Term: 53 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC pipelines with DN150, DN100 water pipelines along Hoang Dieu Street (from Tran Phu Street to N7 Nguyen Tri Phuong Intersection)
  - Outstanding Principal Balance (as of 31 March, 2025): 1.309.000.000 VND
  
- Credit Agreement No. 05/2024/HĐTD – ĐTPT
  - Date: 26 June, 2024
  - Contract Addendum No.1 dated 31 October, 2024
  - Loan Limit: 3.710.000.000 VND
  - Loan Term: 74 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC DN200, 150, 100 pipelines with DN300, 200, 100 water pipelines along Pham Van Dong Street (from outside of Thien Phuoc Restaurant to Hon Mot Bridge)
  - Outstanding Principal Balance (as of 31 March, 2025): 3.450.000.000 VND
  
- Credit Agreement No. 20/2024/HĐTD – ĐTPT
  - Date: 06 September, 2024
  - Contract Addendum No.1 dated 31 October, 2024
  - Loan Limit: 3.340.000.000 VND
  - Loan Term: 53 months from the first disbursement
  - Repayment Term: 52 months starting after the end of the grace period
  - Interest Rate: 7,9%/year



## **KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

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### **FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

#### **Notes to the Financial Statement (continued)**

---

- Purpose: Investment in replacing old PVC pipelines with DN300, 150, 100 water pipelines along National Route 1C (along Thong Nhat Street, 23/10 Street, from Cay Xang to Cho Lon Bridge)
- Outstanding Principal Balance (as of 31 March, 2025): 3.015.000.000 VND
- Credit Agreement No. 22/2024/HĐTD – ĐTPT
  - Date: 30 October, 2024
  - Loan Limit: 3.112.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC DN200, 100, 50 pipelines with HDPE DN200, 100, 50 water pipelines in the Dong Muong Duong De area (from Ly Thai To Street to Pham Van Dong Street)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.415.000.000 VND
- Credit Agreement No. 23/2024/HĐTD – ĐTPT
  - Date: 30 October, 2024
  - Loan Limit: 3.013.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in replacing old PVC pipelines with HDPE DN300, 200, 100, 50 water pipelines in the Tay Muong residential area (from Pham Van Dong Street to Trieu Quang Phuc Street and from Tran Khat Chan Street to Ly Thai To Street)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.295.000.000 VND
- Credit Agreement No. 24/2024/HĐTD – ĐTPT
  - Date: 30 October, 2024
  - Loan Limit: 2.335.000.000 VND
  - Loan Term: 73 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in HDPE water supply pipelines DN300, 150, 100 to replace PVC pipelines along Võ Thị Sáu Street - Vĩnh Trường Ward - Nha Trang City (Section from the Vĩnh Trường Ward booster pumping station to Chụt Mountain ring road)
  - Outstanding Principal Balance (as of 31 March, 2025): 2.255.000.000 VND
- Credit Agreement No. 01/2025/HĐTD – ĐTPT
  - Date: 07 February, 2025
  - Loan Limit: 1.120.000.000 VND
  - Loan Term: 61 months from the first disbursement
  - Repayment Term: 72 months starting after the end of the grace period
  - Interest Rate: 7,9%/year
  - Purpose: Investment in HDPE water supply pipelines DN100, 50 to replace old PVC pipelines - A-T Residential Area - Vĩnh Hải Ward - Nha Trang City (along Nguyễn Quyền, Sư Vạn Hạnh, Lương Ngọc Quyến, Thái Phiên, and Ngô Gia Khảm streets)
  - Outstanding Principal Balance (as of 31 March, 2025): 941.000.000 VND

**KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

Địa chỉ: 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2025

**Notes to the Financial Statement (continued)**

- Credit Agreement No. 02/2025/HĐTD – ĐTPT
- Date: 07 February, 2025
- Loan Limit: 1.120.000.000 VND
- Loan Term: 61 months from the first disbursement
- Repayment Term: 72 months starting after the end of the grace period
- Interest Rate: 7,9%/year
- Purpose: Investment in HDPE water supply pipelines DN150, 100, 50 to replace existing PVC pipelines DN150, 100, 50 along Lương Định Của Street (Section from Bến Ma Bridge to Gõ Phú Kiểng Bridge)
- Outstanding Principal Balance (as of 31 March, 2025): 906.000.000 VND

**18. Bonus and Welfare Funds**

	<b>Beginning balance</b>	<b>Increase due to allocation from profits</b>	<b>Awards received</b>	<b>Fund disbursement during the year</b>	<b>Ending balance</b>
Bonus fund	4.913.229.000	7.586.109.112	-	-	12.499.338.112
Welfare fund	1.745.741.874	4.500.000.000	3.000.000	643.562.560	5.596.823.224
Reward fund for Management and Executive	3.000	386.700.000	-	-	386.703.000
<b>Total</b>	<b>6.658.973.874</b>	<b>12.472.809.112</b>	<b>3.000.000</b>	<b>643.562.560</b>	<b>18.482.864.336</b>

**19. Science and Technology Development Fund**

	<b>Science and Technology Development Fund</b>	<b>The science and technology development fund has been used to form fixed assets</b>	<b>Total</b>
Beginning balance	2.139.386.077	3.265.626.331	5.405.012.408
Provision for the year	-	-	-
Investment in fix assets	(955.744.609)	955.744.609	-
Depreciation of fixed assets	-	(245.358.992)	(245.358.992)
<b>Ending balance</b>	<b>1.183.641.468</b>	<b>3.976.011.948</b>	<b>5.159.653.416</b>

**20. Owners' Equity****20a. Details of Owners' Capital**

	<b>Ending balance</b>	<b>Beginning balance</b>
Khanh Hoa Provincial People's Committee	145.860.000.000	145.860.000.000
REE Water	125.505.600.000	125.505.600.000
Other shareholders	14.634.360.000	14.634.360.000
<b>Total</b>	<b>285.999.960.000</b>	<b>285.999.960.000</b>

Based on Resolution 13/NQ-HĐ.ĐCĐ of the 2022 Annual General Meeting of Shareholders on April 25, 2022, with the approval of the State Securities Commission of Vietnam (Document No. 5945/UBCK-QLCB dated September 6, 2022), the Company increased its charter capital from 260,000,000,000 VND to 285,999,960,000 VND.

**20b. Shares**



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	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered for issuance	28.599.996	28.599.996
Number of shares sold to the public	28.599.996	28.599.996
Number of shares repurchased	-	-
Number of shares outstanding	28.599.996	28.599.996

All shares are common shares. The par value of outstanding shares is 10,000 VND.

**20c. Profit Distribution**

During the year, the Company distributed the 2023 profit in accordance with the Resolution of the 2024 Annual General Meeting of Shareholders, No. 02/NQ-ĐHĐCĐ, dated April 24, 2024, as follows:

	<u>Amount (VND)</u>
• Development investment fund	: 18.434.906.443
• Bonus fund	: 5.000.000.000
• Welfare fund	: 2.300.000.000
• Reward fund for the Board of Directors, Board of Supervisors, and Board of Management	: 324.000.000
• Dividends	: 35.406.795.048

**VI. ADDITIONAL NOTES TO THE INCOME STATEMENT****21. Gross revenue from sale of goods and rendering of services****21a. Gross revenue**

	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Sale of clean water production	99.022.351.896	93.023.020.868
Sale of construction activities	654.340.944	778.827.720
Sale of survey and design services	191.854.440	43.703.769
Sale of environmental protection fees	24.881.418	22.788.861
Other sales (e.g., material sales, etc.)	-	-
<b>Total</b>	<b>99.893.428.698</b>	<b>93.868.341.218</b>

**21b. Gross revenue from sale of goods and rendering of services rendered with related parties**

The Company has not incurred any sales or service provision transactions with related parties.

**22. Revenue deductions**

	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Sales refunded from construction activities	-	-
Sales refunded from survey and design services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**23. Cost of sales**

	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Cost of clean water production and supply	78.641.851.633	72.286.984.019
Cost of construction activities	627.554.579	924.317.156

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	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Cost of survey and design services	-	41.779.765
Cost of environmental protection fees	15.568.600	22.788.830
Other costs (e.g., material sales, etc.)	-	-
<b>Total</b>	<b><u>79.284.974.812</u></b>	<b><u>73.275.869.770</u></b>
<b>24. Financial income</b>		
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Interest income	368.079.148	330.335.854
Received cash Dividend from Investments	-	-
<b>Total</b>	<b><u>368.079.148</u></b>	<b><u>330.335.854</u></b>
<b>25. Financial expenses</b>		
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Interest expenses	2.055.946.111	1.348.593.450
Accrued interest income from projects funded by The State Budget	-	-
<b>Total</b>	<b><u>2.055.946.111</u></b>	<b><u>1.348.593.450</u></b>
<b>26. Selling expenses</b>		
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Cost of materials and packaging	150.000.000	150.000.000
Other expenses	2.000.000	-
<b>Total</b>	<b><u>152.000.000</u></b>	<b><u>150.000.000</u></b>
<b>27. General and administration expenses</b>		
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Employee expenses	1.150.070.820	1.229.078.759
Office supplies expenses	143.328.758	152.623.648
Depreciation of fixed assets	45.431.763	38.984.793
Taxes and fees	4.000.000	4.000.000
Outsourced service expenses	603.085.851	518.760.777
Other expenses	647.686.335	418.946.862
<b>Total</b>	<b><u>2.593.603.527</u></b>	<b><u>2.362.394.839</u></b>
<b>28. Other incomes</b>		
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
Income from drainage and environmental protection fees	1.073.790.743	1.076.092.939
Income from asset liquidation and inventory sales	-	418.692.000
Other Income	15.561.000	-
<b>Total</b>	<b><u>1.089.351.743</u></b>	<b><u>1.494.784.939</u></b>



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**Notes to the Financial Statement (continued)****29. Other expenses**

	<b>Quarter I/2025</b>	<b>Quarter I/2024</b>
Assisting expenses for collecting Environmental Protection fee and Urban Drainage fee	1.083.008.310	1.076.384.480
Compensation and penalty expenses	-	-
Other expenses	94	52.500.000
<b>Total</b>	<b>1.083.008.404</b>	<b>1.128.884.480</b>

**30. Production cost by nature**

	<b>Quarter I/2025</b>	<b>Quarter I/2024</b>
Materials and consumables expenses	34.170.186.754	27.589.770.853
Labor costs	19.382.931.392	25.957.870.422
Depreciation of fixed assets	21.745.105.109	18.883.768.212
Outsourced service expenses	2.151.814.315	1.437.999.089
Other expenses	5.107.786.380	3.643.401.391
<b>Total</b>	<b>82.557.823.950</b>	<b>77.512.809.967</b>

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**Notes to the Financial Statement (continued)****VII. OTHER INFORMATION****1. Related party transactions and balances**

Related parties to the Company include: key management personnel, individuals related to key management personnel, and other related parties.

**1a. Transactions and Balances with Key Management Personnel and Individuals Related to Key Management Personnel**

Key management personnel include members of the Board of Directors and members of the Board of Management (Board of General Directors). Individuals related to key management personnel are immediate family members of key management personnel.

**Transactions with Key Management Personnel and Individuals Related to Key Management Personnel**

The Company has not incurred any sales, service provision, or other transactions with key management personnel or individuals related to key management personnel.

**Liabilities with key management personnel and individuals related to key management personnel.**

The Company has no liabilities with key management personnel or individuals related to key management personnel.

**1b. Other related party transactions and balances**

Other related parties to the Company include:

<b>Related party</b>	<b>Relationship</b>
Khanh Hoa Provincial People's Committee	Shareholder owning 51% of the charter capital.
REE Water	Shareholder owning 43,88% of the charter capital.
Suoi Dau Water supply and Sewerage construction investment Joint stock Company	Associated companies

**Other related party transactions**

In addition to transactions with associated companies presented in Note V.2b, the Company also engaged in other transactions with other related parties as follows:

	<b>Ending balance</b>	<b>Accumulated Beginning balance</b>
<b><i>Khanh Hoa Provincial People's Committee</i></b>		
Dividends payable	-	-
Asset transfer received	-	-
The Company made payments related to the receipt of transferred assets.	-	-
<b><i>REE Water</i></b>		
Dividends payable	-	-
Remuneration and bonus expenses for the Board of Supervisors and the Board of Directors.	-	55 800 000

**Liabilities with other related parties**



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**Notes to the Financial Statement (continued)**

Liabilities with other related parties are presented in Notes V.12 and V.16a,b.

Receivables from other related parties are unsecured and will be settled in cash. No provision for doubtful debts has been made for receivables from other related parties.

**2. Segment Information**

Segment information is presented by business sector and geographical area. The primary segment report is based on business sectors, reflecting the Company's business activities.

**2a. Business Sector Information**

The primary segment report is based on business sectors for the Company's operations. During the year, the Company's business activities primarily focused on the following sectors: clean water production, construction activities, survey and design services, and material sales. The segment income statement reflects the results of these business sectors for the year as follows:

	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
<b>Clean water production activities</b>		
Sale of clean water production	99.022.351.896	93.023.020.868
Sale of environmental protection fees	24.881.418	22.788.861
Cost of clean water production and supply	78.641.851.633	72.286.984.019
Cost of environmental protection fees	15.568.600	22.788.830
<b>Gross profit</b>	<b>20.389.813.081</b>	<b>20.736.036.880</b>
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
<b>Construction activities</b>		
Revenue	654.340.944	778.827.720
Sales discounts	-	3.065.963
Cost	627.554.579	924.317.156
<b>Gross profit</b>	<b>26.786.365</b>	<b>(148.555.399)</b>
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
<b>Survey and design services</b>		
Revenue	191.854.440	43.703.769
Sales discounts	-	-
Cost	-	41.779.765
<b>Gross profit</b>	<b>191.854.440</b>	<b>1.924.004</b>
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
<b>Other activities (material sales ...)</b>		
Revenue	-	-
Cost	-	-
<b>Gross profit</b>	<b>-</b>	<b>-</b>
	<u>Quarter I/2025</u>	<u>Quarter I/2024</u>
<b>Total Gross profit</b>	<b>20.608.453.886</b>	<b>20.589.405.485</b>

The Company does not prepare segment reports for the indicators on the Balance Sheet due to insufficient information for segmentation.

## KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

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### FINANCIAL STATEMENTS

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### Notes to the Financial Statement (continued)

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#### 2b. *Geographical area Information*

All of the Company's activities are conducted within the territory of Vietnam.

Nha Trang, 15 April, 2025



**Tran Thi Thu Ha**  
General Accountant



**Nguyen Van Quan**  
Chief Accountant



**Nguyen Van Dam**  
General Director



