



DANANG WATER SUPPLY JOINT STOCK COMPANY

57 Xo Viet Nghe Tinh Street - Da Nang City | Tel: (0236) 3.697999 - 2.243686

ANNUAL REPORT

2025

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I. GENERAL INFORMATION



1. General Information

Trading Name: DA NANG WATER SUPPLY JOINT STOCK COMPANY

Business Registration Certificate: 0400101066, issued by the Department of Planning and Investment of Da Nang City (first issued on July 1, 2010, 9th change on November 1, 2021).

Charter Capital: VND 579.640.610.000

Owner's Equity (as of December 31, 2025): VND 895.835.042.920 (according to the Consolidated Financial Statements for 2025).

Address: 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Da Nang City.

Phone: 0236.3697999

Website: <https://dawaco.com.vn/>

Stock Code: DNN

2. Establishment and Development Process:

1945-1950: The Da Nang water supply system was formed, mainly supplying water to the city center using wells and small pipelines.

1954-1971: Before 1954, the entire city used groundwater from 36 wells with a depth of 30-50m. In 1971, the Cam Le River water treatment plant was built, including the Cau Do Water Plant (capacity 5,600 m³/day) and the San Bay Water Plant (capacity 12,000 m³/day). The management unit was the Da Nang Water Authority.

1975: Da Nang City was liberated, the water supply system was preserved. The revolutionary government took over and maintained continuous water supply production, contributing to maintaining security in the early days of the newly liberated city. The city's water supply management unit was established and named Da Nang Water Plant, replacing the old regime's Da Nang Water Authority, with a capacity of about 12,000 m³/day and 3,084 water meters for customers.

1979: To meet development demands, the city's residents needed tap water. The leaders of the Da Nang Water Plant focused on consolidating technical infrastructure, renovating and expanding the capacity of the Cau Do Water Treatment Plant to 12,000 m³/day and the San Bay Water Treatment Plant to 10,000 m³/day. Simultaneously, various types of water supply pipelines were installed, and by 1985, the total number of customer meters reached 13,000.

1985: To meet the city's development needs, the People's Committee of Quang Nam - Da Nang Province established the Quang Nam - Da Nang Water Supply Company on the basis of the Da Nang Water Plant. The company's mission was expanded and its organizational and production scale was upgraded. With the attention of higher-level leaders, the Quang Nam - Da Nang Water Supply Company implemented key projects such as the Son Tra I, II, III water treatment plants, upgrading the capacity of the Cau Do and San Bay Water Plants. The Da Nang city water supply project Phase I included the construction of a saltwater intrusion prevention pumping station at An Trach and a D1200 raw water pipeline (capacity 250,000 m³/day), and a new 120,000 m³/day water plant at the Cau Do Water Plant.

1990 - 2000: Along with the project implementation, after 1990, the company's organizational structure was consolidated and completed. The water treatment plants were renamed to water production plants, and branches were established. Starting from 2000, water supply branches in districts were established to promptly meet the management and customer service needs.

2010: On June 14, 2010, the People's Committee of Da Nang City issued Decision No. 4411/QD-UBND approving the plan to transform Da Nang Water Supply Company (State-owned enterprise) into Da Nang One Member Limited Liability Company. On July 1, 2010, the company was granted the first Business Registration Certificate No. 0400101066 by the Department of Planning and Investment of Da Nang City and officially operated as a One Member Limited Liability Company.

2016: The People's Committee of Da Nang City issued Decision No. 5354/QD-UBND on August 9, 2016, approving the equitization plan to transform Da Nang One Member Limited Liability Water Supply Company into Da Nang Water Supply Joint Stock Company. On October 18, 2016, the People's Committee of Da Nang City continued to issue Decision No. 7084/QD-UBND approving the adjustment of the charter capital and the initial share issuance structure in the equitization plan. The initial share issuance structure included: 60% State capital, 5% sold to company employees, and 35% sold to strategic shareholders.

29/10/2026: The founding general meeting of shareholders of Da Nang Water Supply Joint Stock Company was held. On November 1, 2016, the Department of Planning and Investment of Da Nang City issued the first Business Registration Certificate, and the company officially operated as a joint stock company with a charter capital of VND 579,640,610,000.

Year 2025:

- Under the close guidance of the Party Committee, the Board of Directors, and the Board of Management, along with the collective efforts of all employees to overcome challenges, the assigned planned tasks were successfully completed.

- Institutions, laws, mechanisms, and policies were prioritized, with numerous innovations in leadership and administration that positively impacted the Company's production and business results.

- Water supply projects invested in previous years were completed and put into operation, contributing to resolving issues of water shortage, low pressure, and saltwater intrusion.

- Water loss reduction plans at Water Supply Enterprises (XNCN) showed clear effectiveness, reducing the Company-wide water loss rate to 11.30%. This contributed to lowering production costs and ensuring compliance with the City People's Committee's plan and the Government's water loss reduction roadmap.

- Urban upgrade projects, alley renovations, and drainage ditch improvements created favorable conditions for the Company to upgrade, rehabilitate, and replace old water supply networks.

- Water prices were adjusted upward from the beginning of the year, helping the Company cover costs and ensure revenue and profit in accordance with the assigned plan.

2. Business Lines and locations of the business

2.1 Main Products and Services:

The company is currently engaged in the following business activities:

- + Trading in materials and equipment specialized in water supply and drainage construction;

- + Producing and trading in clean water for domestic use, production, and other needs;

- + Installing and constructing water supply projects;

- + Preparing construction investment projects. Consulting, designing, and compiling total cost estimates for medium and small-scale water supply and drainage systems. Conducting topographical and geological surveys, reviewing design estimate documents, construction supervision, and managing construction investment for water supply and drainage projects of Group B and below;

- + Inspecting and calibrating water meters.

2.2 Locations of business:

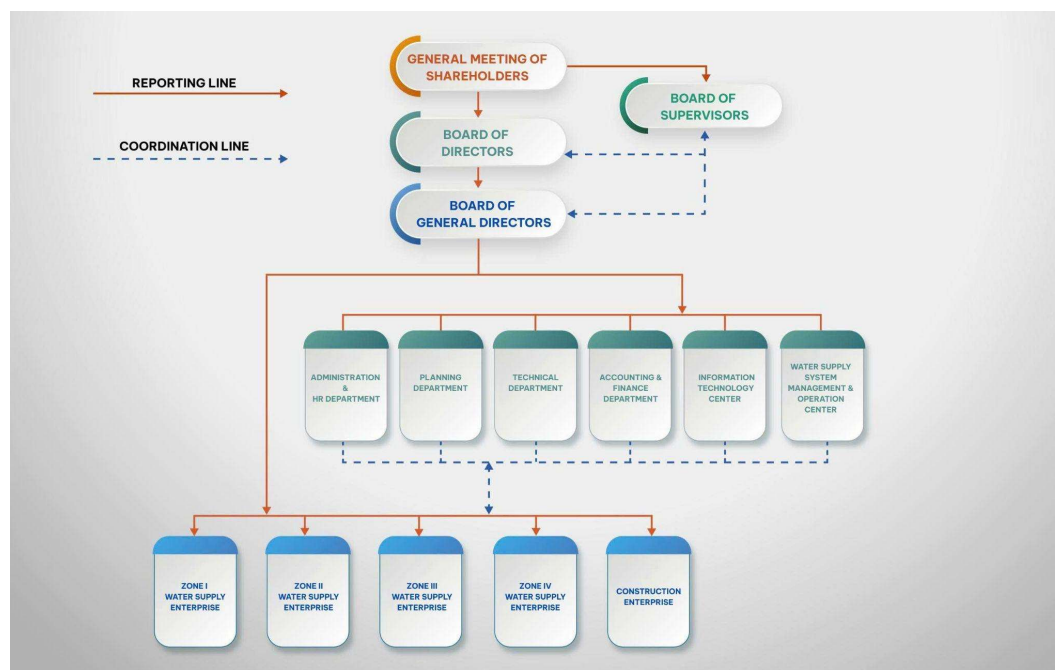
Da Nang Water Supply Joint Stock Company has its head office at No. 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Da Nang City; the Company has subordinate units including: 06 specialized Departments and Centers: HR & Administration Dept., Finance & Accounting Dept., Planning Dept., Technical Dept., IT Center, Water Supply System Operation & Management Center, and 05 subordinate Enterprises including Zone I Water Supply Enterprise, Zone II Water Supply Enterprise, Zone III Water Supply Enterprise, Zone IV Water Supply Enterprise, and Construction Enterprise, performing production and trading of clean water for customers in Da Nang City.

3. Information about Governance Model, Business Organization, and Managerial apparatus

- **Governance Model:** The company operates under the Joint Stock Company model. Accordingly, the General Meeting of Shareholders is the highest decision-making body, organized and operated as stipulated in Point a, Clause 1, Article 137 of the 2020 Enterprise Law and the Company's Charter.

- **Management Structure:**

ORGANIZATION CHART



- **Subsidiaries, Associated Companies:**

Subsidiary Company:

Da Nang Water Supply and Drainage Installation & Construction One Member Limited Company – Address: 10 Trinh Cong Son Street, Hai Chau District, Da Nang City. The subsidiary's main business activities are the construction and installation of water supply pipelines in the city area... At the end of 2025, Da Nang Water Supply and Drainage Construction One Member Limited Company has temporarily opened operations to solve some related matters.

4. Development Orientation

1. Main Objectives of the Company: Ensure safe water supply in terms of quality, flow, and pressure.

Key Tasks for 2026:

- Ensure safe water supply in terms of quality, flow, and pressure.
- Maintain the water loss rate at 11.30%.
- Continue implementing solutions to enhance water supply management capacity through technology and digital transformation.

2. Medium and Long-Term Development Strategies:

- Focus on water loss reduction: Maintain the water loss rate at below 12%.
- Invest in water supply infrastructure development, enhancing supply capacity and customer service.
- Focus on Core Values for Company development: Solidarity – Responsibility – Quality – Innovation – Trust.

3. Sustainable Development Goals:

- Build a long-term sustainable water supply development plan in accordance with the specialized water supply planning of Da Nang City.
- Enhance the quality of human resources to meet task requirements.
- Promote awareness of clean water source protection and water conservation among households, agencies, and enterprises.
- Maintain social charity work and community support through direct and practical forms.

5. Risks

1. Economic Risks:

- In 2025, the State tightened resource management regulations, changed the clean water pricing mechanism, and increased environmental fees for wastewater. Additionally, high inflationary pressure, exchange rate fluctuations, and cybersecurity/business interruption risks pose significant challenges.
- Integrating an additional supply source from the Hoa Lien Water Treatment Plant reduced the production output of the Cau Do Water Treatment Plant, thereby increasing the Company's input costs and significantly impacting 2025 financial indicators.

2. Risks from War, Natural Disasters, and Epidemics:

In 2025, Vietnam in general and Da Nang in particular were heavily affected by natural disasters; frequent heavy rains caused local water supply interruptions in some areas, affecting the operation of water treatment plants. The water supply system sustained damages requiring

maintenance and repairs (the An Trach anti-salinity pumping station was deeply flooded during the heavy rains in October 2025).

II. OPERATIONS IN THE YEAR



1. Situation of production and business operation

1.1 The Company's activities have been conducted with established routines built and maintained over many years. When implementing the tasks for 2025, under the supervision and direction of the Board of Directors, the Company's Executive Board, and its units, the Company continued to promote and gradually innovate, enhancing efficiency in management, production, and labor productivity;

1.2 The Company continued to receive attention, leadership, and direction from the City Party Committee, the People's Council, and the People's Committee, along with enthusiastic support from city departments and agencies, creating favorable conditions for the Company to fulfill its 2025 plan;

1.3 The Company's employees basically met the job requirements, overcame difficulties, and gradually completed the set plan;

1.4 All subsidiary companies and enterprises made great efforts in fulfilling their assigned tasks;

1.5 The investment projects put into use have been effective, contributing to meeting the needs and ensuring water supply for the city.

♣ Net revenue structure:

Unit: VND

| No. | Net Revenue | 2024 | 2025 |
|-----|---------------------------------------|------------------------|------------------------|
| 1 | Water Industry Revenue | 640.211.000.000 | 769.255.000.000 |
| 2 | Construction and Installation Revenue | 4.286.000.000 | 4.735.000.000 |
| | Total Revenue | 644.497.000.000 | 773.990.000.000 |

** Figures for 2023 are post-independent audit and depreciation expenses adjustments.*

2. Organization and Human resource

2.1 List of the Management Board:

| No. | Member | Position | Shareholding percentage | Note |
|-----|-----------------------|-------------------------|-------------------------|----------------------------|
| 1 | Mr. Ho Minh Nam | General Director | 0,012% | |
| 2 | Mr. Le Duc Quy | Deputy General Director | 0% | Retired as of May 01, 2025 |
| 3 | Mr. Tran Phuoc Thuong | Deputy General Director | 0,012% | |

| No. | Member | Position | Shareholding percentage | Note |
|-----|--------------------|-------------------------|-------------------------|--------------------------------|
| 4 | Mr. Phan Thinh | Chief Accountant | 0,0124% | Dismissed as of April 29, 2025 |
| | | Deputy General Director | | Appointed as of May 01, 2025 |
| 5 | Mr. Pham Hong Minh | Chief Accountant | 0,0014% | Appointed as of May 01, 2025 |

2.2 Curriculum Vitae

2.2.1 Board Member cum General Director:

Full name: **HO MINH NAM**

Date of Birth: 10/11/1975 Gender: Male

ID Card No.: 001075039465 Issued on: 10/08/2021

Issued by: Department of Administrative Management of Social Order

Ethnicity: Kinh Nationality: Vietnamese

Hometown: Tam Hai, Nui Thanh, Quang Nam

Current residence: 87 Hai Phong, Thach Thang Ward, Hai Chau District, Da Nang City

❖ Education:

General education: 12/12

Professional: Master of Infrastructure Engineering

❖ **Current Position at the Company:** Party Committee Member, Board Member cum General Director, Project Management Director

❖ **Positions Held at Other Organizations:** None

❖ Work Experience:

| | |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>1975 - 1993</i> | Spent childhood with parents in Hanoi, moved to Da Nang with family in 1978 and attended high school in Da Nang City |
| <i>1995 – 6/2001</i> | Worked at Da Nang Water Supply Company (now Da Nang Water Supply Joint Stock Company) and studied at Hanoi University of Architecture, majoring in Water Supply and Drainage. Staff in the Business Department; Staff in the Technical Department |
| <i>6/2001 – 10/2003</i> | Staff in the Da Nang Water Supply Project Management Unit |

| | |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>10/2003 - 10/2004</i> | Staff in the Da Nang Water Supply Project Management Unit |
| <i>10/2004 - 12/2005</i> | Deputy Director of the Construction and Installation Enterprise of Da Nang Water Supply Company |
| <i>12/2005 - 10/2016</i> | Director of Lien Chieu Water Supply Branch of Da Nang Water Supply One Member Limited Liability Company |
| <i>11/2016 – 10/2021</i> <i>11/2021- 04/2025</i> | Deputy General Director of Da Nang Water Supply Joint Stock Company Board Member cum General Director cum Project Management Director of the Company |
| <i>05/2025 - Current</i> | Deputy Secretary of the Party Committee, Board Member concurrently General Director and Director of the Company's Project Management Unit |

2.2.2 Board Member, Deputy General Director

Full name: **LE DUC QUY**

Date of Birth: 01/01/1964 Gender: Male

ID Card No.: 048064003910 Issued on: 28/06/2021 Issued by: Department of Administrative Management of Social Order

Ethnicity: Kinh Nationality: Vietnamese

Hometown: Hoa Quy, Ngu Hanh Son, Da Nang

Current residence: K44/17 Nguyen Thanh Han, Hòa Thuận Tây Ward, Hải Châu District, Da Nang City

❖ Education:

General Education: 12/12

Professional: Bachelor of Economics

❖ Current Position at the Company: None

❖ Positions Held at Other Organizations: None

❖ Work Experience:

| | |
|------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <i>1964 - 1981</i> | Spent childhood with family, attended school and graduated from high school. |
| <i>1981 - 1985</i> | Studied and graduated from Ho Chi Minh City University of Finance and Accounting. |
| <i>5/1987 - 6/1996</i> | Specialist in the Planning Department, Quang Nam - Da Nang Construction Department, concurrently Chief Accountant of the |

| | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------|
| | Construction Project Management Board and the Planning Capital Management Board under the Construction Department. |
| <i>7/1996 - 12/1999</i> | Chief Accountant, Deputy Head of the Planning and Finance Department, Da Nang Urban and Rural Planning Institute. |
| <i>01/2000 - 04/2006</i> | Chief Accountant, Head of the Planning - Finance Department, Da Nang Construction Planning Institute |
| <i>5/2006 - 6/2007</i> | Chief Accountant, Head of the General Department, Da Nang Construction Planning Institute. |
| <i>7/2007 - 3/2013</i> | Deputy Director of Da Nang Construction Planning Institute |
| <i>4/2013 - 10/2016</i> | Head of the Accounting and Finance Department, Da Nang Construction Department |
| <i>11/2016 – 03/2020</i> | Board Member cum Deputy General Director of Da Nang Water Supply Joint Stock Company. |
| <i>04/2020 – 10/2021</i> | Acting Chairman of the Board cum Deputy General Director of Da Nang Water Supply Joint Stock Company |
| <i>11/2021 – 04/2025</i> | Board Member cum Deputy General Director of Da Nang Water Supply Joint Stock Company |
| <i>From 01/05/2025</i> | Retired under the prescribed regime |

2.2.3 Deputy General Director

Full name: **TRAN PHUOC THUONG**

Date of birth: 01/01/1966 Gender: Male

ID Card No.: 048066002813 Issued on: 12/08/2021 Issued by: Department of Administrative Management of Social Order

Ethnicity: Kinh Nationality: Vietnamese

Hometown: Hoa Nhon, Hoa Vang, Da Nang

Current residence: 205 Phan Dang Luu Street, Da Nang City

❖ Education:

General Education: 12/12

Professional: Chemical Engineer, Bachelor of Economics (Business Administration)

❖ Current Position at the Company: Deputy General Director

❖ Positions Held at Other Organizations: None

❖ Work Experience:

1966 - 1984 Spent childhood with family, attended school and graduated from high school.

| | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>1984 - 1989</i> | Studied and graduated from Da Nang University of Technology, major in Chemistry |
| <i>12/1990 - 4/1994</i> | Technical Officer, Workshop Manager, Da Nang Tobacco Factory |
| <i>4/1994 - 3/1998</i> | Manager of Hoa Khuong Cement Factory; Head of Marketing Department of Hoa Khuong Cement Factory; Head of General Department of Hoa Khuong Cement Factory |
| <i>4/1998 - 10/2001</i> | Vice Chairman of Construction Trade Union of Da Nang City |
| <i>11/2001 - 3/2008</i> | Deputy Head of Administrative Organization Department, Da Nang Water Supply Company |
| <i>4/2008 - 10/2016</i> | Party Committee member, Head of Administrative Organization Department, Da Nang Water Supply Company One Member Limited |
| <i>11/2016-07/2020</i> | Party Committee member, Deputy General Director of the Company and Manager of Administration and Human Resources, DaNang Water Supply Joint Stock Company |
| <i>07/2020 – 11/2021</i> | Deputy Secretary of the Party Committee, Deputy General Director, |
| <i>12/2021- 4/2025</i> | Deputy Secretary of the Party Committee, Deputy General Director, Chairman of the Company's Grassroots Trade Union. |
| <i>05/2025-11/2025</i> | Deputy General Director, Chairman of the Company's Grassroots Trade Union. |
| <i>12/2025-Nay</i> | Deputy General Director |

2.2.4 Deputy Director:

Full name: **PHAN THINH**

Date of birth: 04/01/1969 Gender: Male

ID Card No.: 048069001659 Issued on: 21/08/2022 Issued by: Department of Administrative Management of Social Order

Ethnicity: Kinh Nationality: Vietnamese

Hometown: Hoa Tho, Hoa Vang, Da Nang

Current residence: 300 Nui Thanh Street, Hai Chau Ward, Da Nang City

Education: 12/12

Professional: Bachelor of Economics

❖ **Current Position at the Company:** Party Committee Member, Board Member, Deputy General Director of the Company, Chairman of the Company's Grassroots Trade Union

❖ **Positions Held at Other Organizations:** None

❖ **Work Experience:**

| | |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <i>1969 – 1987</i> | Spent childhood with family, attended school and graduated from high school. |
| <i>1987 – 1991</i> | Studied and graduated from University of Economics, major in Finance - Accounting |
| <i>07/1993 – 3/2003</i> | Accounting staff of Danang Water Supply Company |
| <i>04/2003 – 12/2003</i> | Deputy Head of Accounting Department, Danang Water Supply Company |
| <i>01/2004 – 08/2006</i> | Acting Chief Accountant of Da Nang Water Supply Company |
| <i>09/2006 – 04/2025</i> | Party Committee member, Chief Accountant and Manager of Finance and Accounting Department of Da Nang Water Supply Joint Stock Company. |
| <i>05/2025 – 11/2025</i> | Party Committee Member, Board Member, Deputy General Director of the Company |
| <i>12/2025 – Present</i> | Party Committee Member, Board Member, Deputy General Director of the Company, Chairman of the Company's Grassroots Trade Union |

2.2.5. Chief Accountant:

Full name: **PHAM HONG MINH**

Date of birth: 10/10/1979 Gender: Male

ID Card No.: 049079014254 Issued on: 08/7/2021 Issued by: Da Nang City Police

Ethnicity: Kinh Nationality: Vietnamese

Hometown: Dai Hong Commune, Dai Loc District, Quang Nam Province

Current residence: Group 25 Hoa Khanh Bac, Lien Chieu, Da Nang

Education: 12/12

Professional: Bachelor of Economics

❖ **Current Position at the Company:** Chief Accountant concurrently Director of Finance - Accounting Department.

❖ **Positions Held at Other Organizations:** None

❖ **Work Experience:**

2022 – 2023 Accountant at Dai Loc Trading Company (Dalimex)

| | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <i>2023 – 2024</i> | Accountant at Quảng Nam Construction & ME Company |
| <i>2005 – 2006</i> | Acting Chief Accountant at Central Mechanical and Construction Joint Stock Company - MCC (Machine and Industrial Equipment Corporation - MIE) |
| <i>2006 – 2011</i> | Chief Accountant at Central Mechanical and Construction Joint Stock Company - MCC (Machine and Industrial Equipment Corporation - MIE) |
| <i>2011 – 2013</i> | Deputy Director of Finance - Accounting Department at Da Nang - Central Investment Joint Stock Company |
| <i>2014 – 6/2017</i> | Deputy Head of Accounting Department, Danang Water Supply Company |
| <i>7/2017 – 4/2025</i> | Deputy Director of Finance - Accounting Department at Da Nang Water Supply Joint Stock Company |
| <i>2022 – 2023</i> | Staff at Accounting Department, Dai Loc District Trading Company (Dalimex) |
| <i>2023 – 2024</i> | Staff at Accounting Department, Quang Nam Electromechanical and Construction Company |
| <i>05/2025 – Present</i> | Chief Accountant concurrently Director of Finance - Accounting Department at Da Nang Water Supply Joint Stock Company |

2.3. Changes in the Board of Management: Mr. Le Duc Quy, Board Member and Deputy General Director, retired under the prescribed regime as of May 01, 2025. Mr. Phan Thinh was dismissed from the position of Chief Accountant and appointed as a Board Member and Deputy General Director effective from May 01, 2025. Mr. Pham Hong Minh was appointed as the Company's Chief Accountant as of May 01, 2025.

2.4. Situation of Human resource and the employee's policies

Number of staffs (up to 31/12/2025):

| No. | Classification | Headcount (person) | Ratio (%) |
|----------|--------------------------------|-----------------------|-------------|
| A | By education level | 507 | 100% |
| 1 | University and Post University | 238 | 46.9% |
| 2 | College, secondary school | 126 | 25,4% |
| 3 | Technical worker | 143 | 27.7% |

| B | By gender | | |
|----------|------------------|-----|-------|
| 1 | Male | 359 | 70.8% |
| 2 | Female | 148 | 29.2% |

❖ Average income of employees over the years (VND/person/month)

| Targets | Year 2024 | Year 2025 |
|------------------------------------------------|------------------|------------------|
| Average total number of employees (person) | 515 | 507 |
| Average income of employees (VND/person/month) | 17.930.000 | 18.260.000 |

❖ **Human Resources Policy**

Implementing the Party's guidelines on restructuring and streamlining the apparatus to ensure effectiveness, competence, and efficiency, the Company's leadership has separated and merged units to align with the 2-level administration model. Specifically, the Company merged 06 remaining Water Supply Enterprises into 04 units; merged the Materials Department into the Planning Department; and separated the Planning-Technical Department into the Planning Department and the Technical Department to enhance specialization.

In 2025, the Company hired a consulting firm to guide and complete the KPI job evaluation and operation in Q4/2025, with official implementation starting in 2026. Units have deployed this aggressively to improve labor productivity and ensure transparency and fairness in management.

3. Investment Activities, project implementation

a. Major investments:

In 2025, the Company invested approximately 113.543 billion VND for production and business activities, including: Disbursing 39.489 billion VND for projects to upgrade the capacity of water plants/pumping stations and expand the main transmission pipeline network; investing 71.850 billion VND in new construction, rehabilitation, repair, and maintenance of works at water plants/pumping stations and distribution networks to ensure safe production and supply with 42,293 m of new pipelines and 63,325 m of rehabilitated pipelines; investing in and purchasing machinery and equipment for production, construction, repair, and architectural works (offices, workshops...).

b. Subsidy: Da Nang Water Supply and Drainage Construction One Member Limited Liability Company only resumed operations at the end of 2025, so its financial situation is insignificant.

4. Financial situation

a) Financial situation:

| No. | Indicators | Unit | Year 2024 (actual) | Year 2025 (actual) | % change |
|-----|---------------------------------|-------------|-----------------------|-----------------------|-------------|
| 1 | Total asset | VND billion | 1.556.486 | 1.562.689 | 100,40 |
| 2 | Net revenue | VND billion | 644.687 | 774.253 | 120,10 |
| 3 | Profit from business activities | VND billion | 139.370 | 252.405 | 181,10 |
| 4 | Other profits | VND billion | 4.673 | 9.133 | 195,45 |
| 5 | Profit before tax | VND billion | 144.042 | 261.539 | 181,57 |
| 6 | Profit after tax | VND billion | 129.097 | 234.036 | 181,29 |
| 7 | Payout ratio | % | 14 | Estimate 22% | 157,14 |

b) Major financial indicators:

| Indicators | Unit | Year 2024 | Year 2025 |
|--------------------------------------|-------|-----------|-----------|
| 1. Solvency ratio | | | |
| Current ratio | Times | 1,66 | 2,30 |
| Quick ratio | Times | 1,52 | 2,09 |
| 2. Capital Structure ratio | | | |
| Debt/Total asset ratio | % | 50,60 | 42,67 |
| Debt/Owner's Equity ratio | % | 102,42 | 74,44 |
| 3. Operation capability ratio | | | |
| Inventory turnover | Times | 10,04 | 9,00 |
| Total asset turnover | Times | 0,40 | 0,50 |
| 4. Profitability | | | |
| Profit after tax/Net revenue Ratio | % | 20,02 | 30,23 |
| Profit after tax/Total capital Ratio | % | 16,79 | 26,12 |
| Profit after tax/Total assets Ratio | % | 8,29 | 14,98 |

| Indicators | Unit | Year 2024 | Year 2025 |
|---------------------------------------------------|------|-----------|-----------|
| Profit from business activities/net revenue Ratio | % | 21,62 | 32,60 |

5. Shareholders structure, change in the owner's equity

a) Shares:

- + Common shares: 5.964.061 shares
- + Preferred shares: 1.789.200 shares
- + Number of floating shares: 57.964.061 shares
- + Treasury shares: 0 shares
- + Par value: 10,000 VND per share
- + Freely transferable shares: 56.174.861 shares (97% of the company's charter capital)
- + Restricted shares: 1.789.200 shares (3% of the company's charter capital)

b) Shareholders Structure (up to 31/12/2025)

| TT | Type of shareholders | Number of shares | Amount (VND) | Ownership Percentage (%) |
|-----------|------------------------------|-------------------|------------------------|--------------------------|
| I | Domestic shareholders | 57.964.061 | 579.640.610.000 | 100 |
| | State | 34.824.217 | 348.242.170.000 | 60,08 |
| | Individual | 2.853.100 | 28.531.000.000 | 4,92 |
| | Institutional | 20.286.744 | 202.867.440.000 | 35,00 |
| II | Foreign Shareholders | 0 | 0 | 0% |
| | Individual | - | - | - |
| | Institutional | - | - | - |
| | Total | 57.964.061 | 579.640.610.000 | 100 |

c) Change in the owner's equity:

None

d) Transaction of treasury stocks:

None

e) Other securities:

None.

6. Environment –Social –Governance (ESG) Report of the Company

6.1 Environment Governance

In 2025, the amount of electricity saved from operating 09 high-efficiency pumps at Cau Do WTP under the model project of the Joint Crediting Mechanism (JCM) reached 2,182,446 kWh, with estimated electricity cost savings of approximately 3,710,157,806 VND. These pumps under the JCM project were operated and maintained by Dawaco to maintain performance efficiency, continuing to generate high energy-saving results.

6.2 Management of raw materials

a) The total amount of raw materials used for the manufacture and services of the Company during the year:

| Materials | Raw water (m ³) | Chemicals (kg) | | | | | |
|-----------|-----------------------------|----------------|------|----------------|----------------|-------|-------------------|
| | | PAC | SALT | LIQUID CLORINE | POWDER CLORINE | SODA | KMnO ₄ |
| Year 2025 | 101.936.860 | 434.043 | - | 83.764 | 3.983,6 | 8.829 | 901,9 |

b) The percentage of materials recycled to produce products and services of the Company:

- Cau Do, San Bay, and Hoa Trung Lake WTPs have invested in sludge treatment systems. Accordingly, wastewater from sludge discharge at sedimentation tanks and filter backwashing is treated and pumped back to the clean water treatment line for reuse.

6.3 Energy consumption:

Total electricity consumption for water production in 2025 was 25,788,458 kWh.

Electricity consumption per 1m³ of clean water at San Bay WTP decreased, while it increased at Cau Do and Hoa Trung Lake WTPs.

| Year | The electricity consumption at The Cầu Đỏ Water Plant | The electricity consumption The San Bay Water Plant | The electricity consumption The Ho Hoa Trung Water Plant |
|------|-------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|
| 2024 | 0,2073 kWh/m ³ | 0,3205 kWh/m ³ | 0,1598 kWh/m ³ |
| 2025 | 0,2296 kWh/m ³ | 0,2183 kWh/m ³ | 0,1996 kWh/m ³ |

6.4 Water consumption: (Water consumption of business activities in the year)

a) Water supply and amount of water used

- The water supply sources for Cau Do and San Bay Water Treatment Plants (WTP) are surface water. Intake locations: (1) Intake gate of Cau Do WTP (Cau Do River, downstream of Yen River); (2) An Trach anti-salinity weir (Yen River, upstream of Vu Gia River belonging to the Vu Gia – Thu Bon river system).

- Son Tra WTP: Son Tra 1 Station takes water from Da Stream; Son Tra 2 Station takes water from Tinh Stream. Hai Van WTP takes water from Luong Stream. Khe Lanh Pumping Station takes water from Khe Lanh (Ba Na). Hoa Trung Lake WTP takes water from Hoa Trung Lake (Dawaco purchases raw water from Da Nang Irrigation Exploitation One Member Limited Liability Company).

- Phu Son Pumping Stations take water from the Yen River (Dawaco purchases raw water from Da Nang Irrigation Exploitation One Member Limited Liability Company). Hoa Phu and Hoa Bac Pumping Stations take water from streams in Hoa Vang Commune, Da Nang City.

b) Percentage and total volume of water recycled and reused: negligible ratio.

6.5 Compliance with the law on environmental protection

a) Number of penalties for non-compliance with environmental laws and regulations: In 2025, there were no cases of penalties.

b) Total amount of fines for non-compliance with environmental laws and regulations: None

6.6 Policies related to employees

- The Company has implemented mergers, streamlined the organizational apparatus, and applied the KPI system to evaluate work performance, thereby enhancing labor productivity. At the same time, training courses are organized to create conditions for employees to improve their professional expertise (second degree in Water Supply and Drainage).

- Policies for employees (Social Insurance, Health Insurance, Unemployment Insurance) are fully implemented; periodic health check-ups and employee welfare care are organized. The Company also issued Internal Expenditure Regulations and a Collective Labor Agreement to improve the management mechanism.

- Average income reached 18.26 million VND/person/month, contributing to stabilizing living standards and creating motivation for work.

6.7 Report on responsibility for local community:

- Excelled in social work and community care through visiting, supporting, and providing lifelong care for Vietnamese Heroic Mothers (VNAH); extracted 1 billion VND from the welfare fund to assist low-income households in Da Nang City and Quang Nam province. In 2025, the Company contributed 700 million VND to support flood victims (200 million for the North and 500 million for Da Nang residents).

- Organized "Back to the Source" activities and visited historical sites to educate employees on revolutionary traditions.

III. REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT



1. Assessment of 2025 production and business performance

| No. | Indicators | Unit | 2025 | | % Vs. Plan |
|-----|----------------------------------------------|--------------------|---------|---------------|---------------|
| | | | Plan | Actual | |
| 1 | Produced water (including Hoa Lien) | m3 | 122,030 | 120,864 | 99,0% |
| 2 | Billed water | m3 | 106,776 | 107,678 | 100,8% |
| 3 | Total revenue before tax | VND billion | 749,268 | 809,658 | 108,1% |
| | - Water supply | VND billion | 733,530 | 769,255 | 104,9% |
| | - Construction | VND billion | 3,000 | 4,735 | 157,8% |
| | - Materials | VND billion | 0,200 | 0,263 | 131,5% |
| | - Other (Financial activities, Other income) | VND billion | 11,184 | 25,619 | 229,1% |
| | - Other Income | VND billion | 1,354 | 9,786 | 722,7% |
| 4 | Profit before tax | VND billion | 161,667 | 261,539 | 161,8% |
| 5 | Dividend payout ratio | % | 18,0 | Estimated 22% | 122,2% |
| 6 | Contributions to the budget. | VND billion | 174,754 | 185,892 | 106,37% |
| 7 | Average income / person / month | VND Million | 18,11 | 18,30 | 101,04% |
| 8 | Average water price | VND/m ³ | 7.020 | 7.144 | 101,76% |

1.1 Opportunities and challenges

* Advantages

- The unity in direction from the Party Committee and the Board of Directors, combined with the effective management of the Board of Management and the solidarity and determination of all employees, led to the successful completion of the 2025 production and business targets.

- The City People's Committee's approval of the clean water price adjustment has resolved financial mechanism difficulties, creating favorable conditions for the Company to reinvest, upgrade

infrastructure, and ensure cost norms in accordance with the Resolution of the General Meeting of Shareholders.

- Effectively maintained network management and controlled the water loss rate at 11.3%, exceeding the set plan. This is a positive result amidst significant pressure from infrastructure renovation and urban refurbishment projects across the city.

- The organizational restructuring and consolidation were completed towards a streamlined model; the KPI system was synchronously implemented, contributing to enhanced governance efficiency and labor productivity.

- The 2025 revenue structure recorded a positive shift toward higher business efficiency. The proportion of revenue from the Business - Service (DV) customer group grew better compared to the previous year.

- The Company focused on the construction of several major transmission network renovation projects in 2025 to ensure stable water supply and prepare for capacity increases in the coming period.

*** Challenges**

- The specialized legal system has undergone numerous adjustments and supplements toward stricter management. Stringent technical standards and regulations, increased administrative procedures, and high penalties for violations have pressured the Company to constantly update and comply to mitigate legal risks.

- The growth in water demand does not correlate proportionally with the City's economic recovery. Trends in water conservation and changes in consumer behavior have affected production forecasting and revenue efficiency.

- Complex developments of extreme weather and fluctuations in raw water quality, particularly saltwater intrusion, have impacted the Company's production activities.

- City-owned assets leased by the Company in many areas have degraded, directly affecting water flow, pressure, and quality. Investment in rehabilitation and upgrades faces many obstacles related to public asset management regulations.

- The handover of rural clean water projects (Phu Son, Hoa Phu, Hoa Bac) has not been fully resolved due to complications in regulations regarding asset management, usage, and exploitation. This has led to limitations in investment for rehabilitation, repairs, and enhancing water supply service quality in rural areas.

- Besides short-term difficulties, long-term development opportunities are emerging. The commencement of the Hoa Lien Water Treatment Plant (WTP) has partially reduced the Company's self-produced water volume. However, Hoa Lien WTP will help better balance the load for the network system, increasing the overall safety of the water supply system while providing a source for the Company to proactively expand the scale and scope of water supply for the southern area of the city.

2. Financial situation

a) Asset situation:

Unit: VND million

| Indicator | 2024 | 2025 | Proportion Year 2024 | Proportion Year 2025 |
|-------------------|-------------|-------------|---------------------------------|---------------------------------|
| Short-term assets | 510.883 (*) | 590.133 | 32,82% | 37,76% |
| Long-term assets | 1.045.603 | 972.556 | 67,18% | 62,24% |

| Indicator | 2024 | 2025 | Proportion Year 2024 | Proportion Year 2025 |
|--------------|-----------|-----------|-------------------------|-------------------------|
| Total assets | 1.556.486 | 1.562.689 | 100,00% | 100,00% |

(*) Figures for actual 2024 (after independent auditing).

Long-term assets mainly come from fixed assets. Specifically, as follows:

ĐVT: Million VND

| Tangible fixed assets | Original cost | Residual value | Residual value / Original cost |
|-------------------------------------|------------------|----------------|-----------------------------------|
| Buildings and structures | 210.001 | 39.816 | 0,19 |
| Machinery and equipment | 163.487 | 50.313 | 0,31 |
| Transport and transmission vehicles | 2.198.061 | 812.221 | 0,37 |
| Management equipment and tools | 8.461 | 1.192 | 0,14 |
| Other fixed assets | 1.625 | 912 | 0,56 |
| Total | 2.581.635 | 904.454 | 0,35 |

Unit: VND million

| Intangible fixed assets | Original cost | Residual value | Residual value / Original cost. |
|-------------------------|---------------|----------------|------------------------------------|
| Accounting software | 54 | 0 | 0 |
| Computer software | 11.835 | 1,735 | 0,15 |
| Total | 11.889 | 1,735 | 0,15 |

b) Liabilities Situation

Unit: VND million

| Indicator | 2024 | 2025 | Proportion | |
|--------------------------|----------------|----------------|--------------|-------------|
| | | | 2024 | 2025 |
| Short-term liabilities | 304.794 | 256.319 | 39,08% | 38,44 % |
| Long-term liabilities | 479.737 | 410.534 | 60,92% | 61,56% |
| Total liabilities | 787.531 | 666.854 | 100 % | 100% |

3. Improvements in organizational structure, policies, and management

3.1 Improvements in organizational structure:

- Direct the assignment of tasks based on high levels of expertise, adhering to the principle of "collective leadership, individual responsibility."

- Orientation for 2026: Streamline the organizational apparatus to ensure competence, effectiveness, and efficiency.

- Apply the KPI-3P salary system to evaluate work performance, enhancing productivity and service quality.

3.2 Improvements in policies and management:

- Strengthen risk response capacity and water source security: Develop incident response scenarios (for saltwater intrusion, water quality fluctuations) to ensure safe water supply in all situations.

- Accelerate the progress of key projects; prioritize the rehabilitation and upgrading of transmission and distribution pipeline systems to enhance service quality and increase billed water volume.

- Invest in developing specialized software, upgrade existing systems, and promote data digitalization to optimize corporate governance and operational management.

4. Future Development plan

4.1 Business production plan for 2026:

| | Indicators | Unit | Plan 2026 | Compared to 2025 |
|---|-------------------------------------|------------------------|------------------|-------------------------|
| 1 | Produced water (including Hoa Lien) | Million m ³ | 127,020 | 105,1% |
| 2 | Billed water | Million m ³ | 111,986 | 105,0% |
| 3 | Total revenue before tax | VND billion | 843,764 | 104,2% |
| | - Water supply | VND billion | 811,574 | 105,5% |
| | - Construction | VND billion | 4,500 | 95,0% |
| | - Materials | VND billion | 0,200 | 76% |
| | - Financial activities | VND billion | 25,000 | 97,6% |
| | - Other income | VND billion | 2,500 | 25,5% |
| 4 | Profit before tax | VND billion | 264,154 | 101,0% |
| 5 | Dividend payout ratio | % | 19,0 | 86,4% |

4.2 Production and water supply operations:

- Excel in maintenance of machinery and equipment; proactively stockpile spare parts to ensure the safe and stable operation of the water supply system.

- Monitor flow trends, water levels, and water quality; proactively coordinate with relevant agencies for regulation and maintaining water levels to respond to and mitigate the impacts of saltwater intrusion.

- Flexibly regulate operations between Water Treatment Plants (WTP) and Pumping Stations to optimize operational capacity across the entire network. Concentrate on technical solutions to adjust pressure according to actual water demand, ensuring safe and stable supply while enhancing energy efficiency in production and transmission.

- Strictly control raw water quality; adjust operational processes to ensure treated water meets standards, while simultaneously reducing chemical consumption to optimize costs.

4.3 Water loss reduction and revenue recovery efforts:

- Periodically perform cross-checking, inspection, and timely replacement of customer water meters that do not meet standards; strengthen the review and strict control of consumption flow for large customer groups.

- Complete the online flow and pressure monitoring system across the entire network; increase control points to optimize operational modes, minimize incident risks, and proactively control water loss.

- Prioritize leak detection and timely reception and handling of pipe burst reports to minimize water outage duration and water loss volume.

- Rehabilitate and upgrade distribution networks that are degraded or frequently experience incidents; prioritize integration with the city's urban renovation, transport infrastructure, and drainage projects to optimize costs and enhance investment efficiency.

- The Company continues to maintain inspections of water usage to accurately identify users and apply correct pricing based on the purpose of use as regulated.

4.4 Key Investment and Development Focus in 2026:

- Perform investment preparation for: Upgrading the capacity of Cau Do Water Treatment Plant to \$390,000 m³/day; D1200-D100-D800 pipelines on Nguyen Tat Thanh Street; D600 pipeline on Hoang Thi Loan Street; D500-D400 pipelines on National Highway 14B (from Hoa Cam overpass to the expressway); D900 Siphon across the Han River; D600 pipeline on Tran Trong Khiem Street...

- Commence and complete projects: Southeast city pipeline; Construction of the sludge treatment cluster at San Bay Water Treatment Plant; D500 and D400 water supply pipelines on National Highway 14B (section from the expressway junction); D400 and D300 pipelines on DT605 road and D500 HDPE Siphon across the Cau Do River; D1200 HDPE raw water siphon across the Cau Do River; D400 and D300 pipelines on Truong Sa Street (Vo Quy Huan - Cocobay section); Southeast city pipeline.

- Concentrate on the execution of investment projects for water supply network development, and infrastructure upgrades at water plants and pumping stations according to the 2026 plan to ensure water supply.

- Complete procedures related to the payment and final settlement of funds for projects and works that have completed construction, been inspected, and put into operation.

4.5 Customer Management and Care:

- Maximize the efficiency of the Call Center system to promptly resolve customer complaints and inquiries.

- Effectively manage water meter reading and customer service; minimize errors in meter reading or poor service attitudes.

- Continue developing applications for water meter reading combined with customer care. Utilize existing social media platforms such as Zalo OA, Website, etc., to develop the Company's customer care and water bill collection sections, aiming for better interaction and service for customers.

- Develop management software, upgrade the Billing software, and implement digital transformation programs.

4.6 Employment, Salaries, Living Standards, and Policies:

- Guarantee salaries, maintain stable income for employees, and ensure full and timely payment of social, health, and unemployment insurance, retirement benefits, and continue providing 24/7 personal accident insurance for staff. Maintain annual periodic health check-ups; specifically, employees with medical conditions requiring monitoring will receive check-ups twice a year.
- Formulate high-quality recruitment plans with appropriate expertise to meet the development roadmap and replace human resources in the future.
- Organize professional development and grade-advancement classes for workers. Organize training on topics such as customer care, water loss reduction, etc. Provide leadership and IT application training for mid-level managers.
- Continue to refine Salary Regulations, salary grade advancements, and software programs for HR management, timekeeping, and payroll. Apply the KPI system to evaluate labor productivity across the Company and continue developing Phase 2 KPIs for the payroll system.
- Maintain discipline and strict adherence to Company regulations and policies. Strategically plan personnel resources, assign and restructure labor effectively, and refine the organizational structure to enhance work efficiency and labor productivity.

5. Explanation from the Board of Directors Regarding Audit Opinions

None

6. Environmental and Social Responsibility Assessment Report of the Company

a. Assessment of Environmental Indicators (Water Consumption, Energy, Emissions, etc.):

- Electricity consumption in 2025 is lower than the state-regulated standards.
- Dawaco always complies with current legal regulations on environmental protection; performs monitoring of production wastewater and air samples according to the frequency specified in the environmental monitoring plan approved by competent authorities. Timely treatment measures are implemented (sludge dredging or flushing water treatment works at water production facilities) to ensure wastewater quality before discharge meets the requirements of Column B – QCVN 40:2011/BTNMT (National Technical Regulation on Industrial Wastewater).
- Strictly implement regulations of the permit for water discharge into water sources (regarding methods, regimes, and discharge volume).
- Collect and treat hazardous waste at water production facilities in accordance with current laws and the environmental dossier approved by competent authorities.

b. Assessment Related to Employee Issues:

- The Company maintains stable income for employees at an average of 18.26 million VND/person/month, which is 0.18% higher than in 2024 and 1% higher than the annual plan.
- The Company effectively implements legal policies on labor, social insurance, health insurance, and unemployment insurance for employees. Ensures that employee income increases year over year. Fully implements employee benefits such as purchasing personal accident insurance, resolving hardship allowances, providing labor protection equipment and uniforms for staff, and ensuring fire safety and prevention (PCCC) conditions at the head office and production facilities.
- Prioritizes health care and protection for employees and organizes annual periodic health

check-ups for staff (02 sessions/year).

c. Assessment of Corporate Responsibility Towards the Local Community::

- The Company has excelled in social work and community care through visiting, supporting, and providing lifelong care for Vietnamese Heroic Mothers (VNAH); assisting low-income households in Da Nang City; supporting employees within the Company suffering from critical illnesses; and donating 1 billion VND annually to the "Xuan Yeu Thuong" (Spring of Love) program via the Vietnam Fatherland Front of Da Nang City.

- Actively participates in sports and cultural programs launched by the Labor Federation.

IV. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION



1. The Board of Director's assessment of the Company's operations

- The Company has effectively ensured a safe water supply, maintaining flow rate and pressure; no water shortages occurred in 2025.
- The Company has basically completed the 2025 business and production plan approved by the General Meeting of Shareholders and met financial targets.
- The Company has fully implemented policies for employees.

2. The Board of Director's evaluation of the Executive Board's activities

- Overall, in 2025, the Executive Board closely followed the planned tasks, implementing business and production solutions in line with actual conditions and the resolutions of the General Meeting of Shareholders and the Board of Directors.
- The Executive Board proactively advised and promptly proposed important matters for the Company's Board of Directors to decide.
- Members of the Executive Board coordinated well in handling the Company's affairs.
- In 2025, the Executive Board collaborated in implementing the Company's key projects, contributing to achieving the goal of reducing water loss. This included regularly reviewing consumption norms and applying pricing based on the correct usage purposes, ensuring fairness among water users and increasing revenue throughout the year.

3. The Board of Director's strategic plan for 2026

To effectively implement the city's socio-economic development tasks, ensure safe water supply, and guarantee water source security, the key solutions to focus on are:

1. Regarding increasing the capacity of the city's water supply sources:

- Focus on proposing upgrades to the infrastructure of the An Trach anti-salinity weir to ensure stable operation for upstream water storage.
- Develop operational scenarios for the San Bay and Hoa Trung water plants that align with the volume of water received from the Hoa Lien water plant to ensure water supply for the Lien Chieu area.
- Ensure production activities at water plants/pumping stations are always operated stably, safely, and effectively; provide sufficient non-saline raw water sources for all plants/stations. Control chemical and electricity consumption at these facilities at low levels to minimize production costs.
- Maximize the exploitation of the existing pipeline network; efficiently operate treatment works and newly completed transmission pipelines; and manage booster pumping stations through the SCADA system to meet the city's water demand.
- Monitor water demand and set appropriate operational modes by time of day to ensure reasonable and harmonious pressure and flow across the entire supply system; satisfy water

demand while contributing to water loss reduction. Regulate the supply network to ensure optimal flow and pressure for each zone and area, and add online pressure monitoring points across the network.

2. Regarding Water Loss Prevention:

Maintain inspection and supervision of water pricing, debt recovery targets, invoice issuance targets, and average water unit price targets at Water Supply Enterprises; enhance customer service quality throughout the Company.

3. Regarding Water Loss Reduction:

- Concentrate on reviewing and adjusting water loss reduction solutions appropriately to reduce the water loss rate to below 12% by 2026.

- Research smart water management solutions to establish synchronized and long-term investment plans.

4. Regarding production management and operations:

- Regularly maintain and service machinery, equipment, and treatment works at water plants/pumping stations; closely monitor the flow and quality of raw water sources to promptly respond to drought and saltwater intrusion, ensuring stable, safe, and effective water production and supply.

- Replace pumps and electrical equipment in water plants that have high power consumption and significant energy loss with high-efficiency models that minimize power loss and reduce operating costs. Implement network rehabilitation to meet water demand.

- Continue to refine and issue scientific and effective management regulations. Enhance awareness of labor discipline; strictly implement Company regulations and policies. Strengthen management, restructure labor appropriately, and prioritize training, retraining, and professional development to build a high-quality workforce with a professional working style.

- Strictly implement regulations on water exploitation and discharge, and environmental protection measures in accordance with the Law on Water Resources.

- Implement the safe water supply plan; ensure water quality meets the Vietnamese Standard QCVN 01-2018/BYT issued by the Ministry of Health.

5. Regarding the implementation of key projects:

- Concentrate on design and execution of water supply network development projects according to the 2026 plan to ensure stable water supply.

6. Regarding financial management tasks:

- Financial management is consistently prioritized by the Board of Directors. Auditing and financial expenditure control in business activities and capital construction have been strengthened; financial transparency is ensured in accordance with legal regulations...

- The Company has fully implemented information disclosure and shareholder relations in compliance with the law.

7. Regarding human resources management tasks:

- Maintain stable employment, salaries, and income for employees; ensure accurate and full payment of social, health, and unemployment insurance for all staff. Timely propose to

Social Insurance agencies to ensure full payment of social and health insurance benefits and retirement schemes; continue providing 24/7 personal accident insurance for employees.

- Maintain discipline and strict adherence to Company regulations and policies. Strategically plan personnel resources, assign and restructure labor effectively, and refine the organizational structure to enhance work efficiency and labor productivity.

- Synchronously implement the performance appraisal system through Key Performance Indicators (KPIs) and the 3P salary model to improve overall work efficiency.

8. Regarding communication, customer care, and community activities:

- Continue prioritizing communication and customer interaction via the Zalo OA application, the Company's official website, and the customer service (CSKH) website. Actively promote, publicize, and provide timely updates on investment and production activities, as well as water conservation campaigns, to enhance the Company's image towards innovation, quality, and reliability.

- Maintain community support activities, including assisting charitable organizations, providing lifelong care for 02 Vietnamese Heroic Mothers, and giving gifts to low-income households in Da Nang City on the occasion of the Lunar New Year (Tet).

- Coordinate with local authorities to participate in water source and environmental protection awareness campaigns through various practical and effective initiatives.

V. CORPORATE GOVERNANCE



1. Board of Director

a. Member and Structure of the Board of Directors:

The term 2021-2026, the Board consists of 05 members holding positions at the Company as follows: Mr. Ho Huong – Chairman of the Board of Directors (BOD), Mr. Dang Thanh Binh – Vice Chairman of the BOD; and Mr. Ho Minh Nam, Mr. Le Duc Quy, and Mr. Nguyen Truong Anh as Board Members. As of May 01, 2025, Mr. Quy retired, and Mr. Thinh was appointed as a Board Member concurrently holding the position of Deputy General Director.

| No. | Board Members | Positions | The percentage of shares with voting rights | Notes |
|-----|-----------------------|----------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 1 | Mr. Ho Huong | Chairman | 60,08% | Representatives of the state-owned capital investment in Da Nang Water Supply Joint Stock Company. |
| 2 | Mr. Ho Minh Nam | Board member, General Director | | |
| 3 | Mr. Le Duc Quy | Board member, Deputy General Director until May 01, 2025 | | |
| 4 | Mr. Phan Thinh | Board Member, Deputy General Director from May 01, 2025 | | Mr.Thinh (replacing Mr. Quy, who retired) has served as the State Capital Representative since April 18, 2025. |
| 4 | Mr. Dang Thanh Binh | Non executive Board Member, Vice Chairman | 35% | Representative of the capital contribution of major shareholders Da Nang Mien Trung JSC in Da Nang Water Supply Company. |
| 5 | Mr. Nguyen Truong Anh | Non executive Board Member | | |

b. The Committees of the Board of Directors:

- The Subcommittees of Development and Investment

- The Subcommittees of Water Loss and Revenue Loss

c. Activities of the Board of Directors:

- The Board of Directors (BOD) performed its assigned rights and duties in accordance with the Law on Enterprises, relevant legal documents, the Company's Charter, and the Resolution of the 2025 Annual General Meeting of Shareholders (AGM).

- In addition, the BOD complied with current legal regulations, including: Law on Enterprises No. 59/2020/QH14 (Note: Gốc là 59/2021/QH14 nhưng đúng luật là 2020), Law on Securities No. 54/2019/QH14; and Government Decree No. 155/2020/ND-CP detailing the implementation of several articles of the Law on Securities.

- The BOD applied internal Corporate Governance regulations; Operational Regulations of the BOD; and Operational Regulations of the Supervisory Board issued in accordance with Circular No. 116/2020/TT-BTC of the Ministry of Finance guiding corporate governance for public companies. These contents aim to better ensure the rights of all shareholders of Da Nang Water Supply Joint Stock Company and are developed based on practical context and advanced governance standards.

- The BOD directed the Board of Management to perform tasks according to their functions and duties in compliance with regulations and BOD Resolutions. It closely supervised the Board of Management's activities, provided direct guidance, and promptly resolved proposals from the Board of Management to bring the most convenience to customers and the highest economic efficiency to the Company. It also strictly monitored management activities as well as the implementation of AGM Resolutions.

- The BOD effectively supervised the management of the Company's General Director. To ensure the interests of the State, shareholders, and employees, the BOD regularly monitored the production and business management of the General Director, coordinating with the Supervisory Board to monitor the following:

- + Implementation of the AGM Resolutions and the 2025 production and business plan targets.

- + Implementation of issued BOD Resolutions and Decisions regarding production, business, and corporate operations.

- + On a monthly basis, the General Director reported financial targets to the BOD. Simultaneously, during BOD meetings, the General Director reported on the current production and business situation as well as the future orientation for the BOD to review and evaluate the implementation of business plans and financial targets...

- Financial management over the past year has been properly prioritized by the BOD. Auditing and financial expenditure control in business activities and capital construction were strengthened, ensuring financial transparency and compliance with legal regulations...

- The Company fully implemented information disclosure and shareholder relations in accordance with legal regulations for large-scale public companies.



Number of Board of Directors Meetings:

- In 2025, the Board of Directors held four meetings and conducted many instances of collecting opinions from the Board of Directors in writing. All Board meetings were attended in full by the Supervisory Board.

| No. | Board Member | Number of BOD meetings attended | Attendance Rate | Reason for absence |
|-----|-------------------|---------------------------------|-----------------|-------------------------------------------|
| 1 | Ho Huong | 4/4 | 100% | - |
| 2 | Dang Thanh Binh | 4/4 | 100% | - |
| 3 | Ho Minh Nam | 4/4 | 100% | - |
| 4 | Le Duc Quy | 2/4 | 50% | Mr. Quy was dismissed from April 18, 2025 |
| 5 | Nguyen Truong Anh | 4/4 | 100% | - |
| 6 | Phan Thinh | 2/4 | 50% | Mr. Thinh was appointed from May 01, 2025 |

d. The activities of subcommittees:

- The Subcommittees of Development and Investment

Advises the Board of Directors on plans and detailed measures to effectively implement investment and development activities; directs, reviews, and supervises the Executive Board to ensure that all investment and development activities (from preparation to completion) comply with legal regulations and achieve high efficiency.

- The Subcommittees of Water Loss and Revenue Loss

Advises the Board of Directors on detailed plans for effectively implementing revenue and loss prevention measures on a monthly, quarterly, and annual basis, in accordance with the targets set by the Board at the beginning of the year; proactively proposes effective plans and solutions for loss prevention and monitors the implementation of these plans after Board approval. Notably, monitoring the loss rate has shown effective progress, contributing to an overall reduction in water loss across the Company.

e. Member of the Board of Directors possessing certificates on corporate governance training program in the year: In 2025, no Board Member attends this training.

2. Board of Supervisors

a. Member and Structure of Board of Supervisors:

The term 2021-2026, the Board consists of 03 members holding positions at the Company as follows: Ms. Nguyen Thi Thu Ha – Head of the Supervisory Board, Ms. Pham Thi Que Chi – Full-time Supervisor, and Mr. Thai Quoc Khanh – Part-time Supervisor. On

April 18, 2025, the 2026 Annual General Meeting of Shareholders (AGM) dismissed Mr. Khanh and appointed Ms. Tan Thi Mien Thao as a Part-time Supervisor.

| No. | Supervisory Board Member | Position | Start Date | End Date | Professional Qualification | Ownership percentage of voting shares | Number of Meetings |
|-----|--------------------------|-----------------------------------------------------------------------------------------|------------|-----------|---------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|
| 1. | Ms. Nguyen Thi Thu Ha | Head of the Supervisory Board | 29/10/2021 | | Bachelor of Economics – Major in Accounting | 0% | 4/4 |
| 2. | Ms. Pham Thi Que Chi | Full-time Supervisor, and Director of the Human Resources and Administration Department | 29/10/2021 | | Bachelor of Economics – Major in Accounting | 0.0195% | 4/4 |
| 3. | Mr. Thai Quoc Khanh | Part -time Member of the Supervisory Board | 29/10/2021 | 18/4/2025 | Bachelor of Economics – Major in Accounting; Master of Finance; Doctor of Business Administration | 0% | 4/4 |
| 4. | Ms. Tan Thi Mien Thao | Non-executive member of the Supervisory Board. | 18/04/2025 | | Bachelor of Economics majoring in Accounting. | 0% | 2/4 |

b. Activities of the Board of Supervisors:

- Attended all meetings of the Board of Directors and briefing sessions. Provided professional opinions on matters related to production and business activities, such as: inventory management, accelerating the final settlement of capital construction projects, and salary regulations.

- Supervised the activities of the Board of Directors and the management of production and business operations by the Board of General Directors in accordance with the Law on Enterprises and the Company's Charter.

- The Supervisory Board (SB) inspected and monitored the issuance of Resolutions and Decisions by the Board of Directors and the Board of General Directors during the corporate governance process. This was to ensure that the directions and management policies of the Company complied with the law and aligned with the resolutions of the General Meeting of Shareholders.

- The SB proposed a list of auditing firms to conduct the audit of the semi-annual and annual Financial Statements for 2025.
- The Supervisory Board appraised the 2025 Financial Statements.
- Inspected and monitored the implementation of the Company's 2025 production and business plans; reviewed reports evaluating the Company's management and operations in 2025; and examined compliance with occupational safety regulations and potential risks (if any).

3. Transactions, remunerations and benefits of the Board of Directors, Board of Executives, and Board of Supervisors: *(Data drafted for submission to the People's Committee of Da Nang for approval)*

a. Salary, Bonuses, Remuneration, and Benefits: *(Data drafted for submission to the People's Committee of Da Nang for approval)*

- Total salaries, bonuses, and remuneration for the Board of Directors (BOD), Board of Management, and Supervisory Board in 2025 amounted to 5,526,981,792 VND. In which
 - + Salaries and bonuses for full-time BOD members: 3 persons with an amount of 2,700,214,272 VND
 - + Remuneration for non-executive BOD members: 2 persons with an amount of 240,000,000 VND.
 - + Salaries and bonuses for the Board of Management: 2 persons with an amount of 1,489,667,520 VND
 - + Salaries and bonuses for full-time Supervisors: 1 person with an amount of 887,400,000 VND
 - + Remuneration for part-time Supervisors: 2 persons with an amount of 209,700,000 VND.

b.Share transactions by internal shareholders:

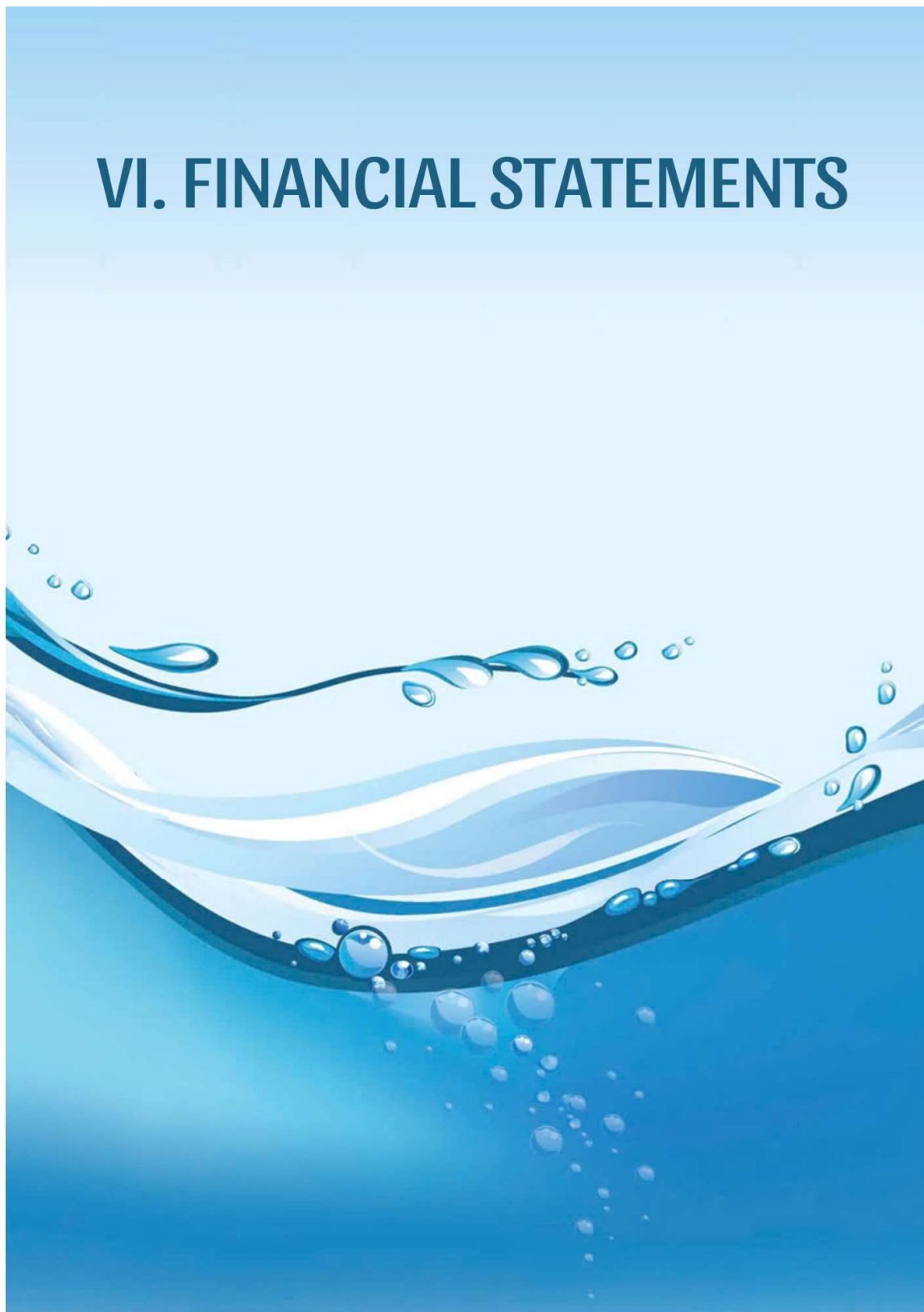
| No. | Person performing the transaction | Relationship with internal person | Shares owned at the beginning of the period | | Shares owned at the end of the period | | Reason for increase/decrease (buy, sell, transfer, bonus...) |
|-----|-----------------------------------|-----------------------------------|---------------------------------------------|--------------|---------------------------------------|--------------|--------------------------------------------------------------|
| | | | <i>Shares</i> | <i>Ratio</i> | <i>Shares</i> | <i>Ratio</i> | |
| 1 | Le Uyen Phuong | Self | 0 | 0% | 900 | 0,0016% | Buy |
| 2 | Pham Hong Minh | Self | 0 | 0% | 800 | 0,0014% | Buy |

c.Contracts or transaction with internal shareholders: None

d.Assessing the implementation of regulations on corporate governance.

Corporate governance has been maintained in full compliance with laws, the Company Charter, Board of Directors, Board of Supervisors's governance regulations, internal policies, and criteria to ensure the smooth operation of the company. Governance practices aim to serve the best interests of the company and its shareholders while facilitating effective oversight of operations, encouraging the optimal use of company resources.

VI. FINANCIAL STATEMENTS



1. Auditor's Opinion: The auditor's opinion has been stated in the audited Consolidated Financial Statements for 2025.
2. Audited Consolidated Financial Statements for 2025:
(Attached the report file herewith)

DaNang, April 4, 2026

**CONFIRMATION BY THE COMPANY'S
LEGAL REPRESENTATIVE**

GENERAL DIRECTOR



HỒ Minh Nam

(VIETVALUES[®]) Audit and Consulting Co., Ltd

Member firm of JPA International

Registered office : 33 Phan Van Khoe, Cho Lon Ward, Ho Chi Minh City

Da Nang office : 16 Le Lai, Hai Chau Ward, Da Nang City

Email : contact@vietvalues.com

Website : www.vietvalues.com



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

DANANG WATER SUPPLY JOINT STOCK COMPANY

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Danang Water Supply Joint Stock Company presents this report together with the audited consolidated financial statements of Da Nang Water Supply Joint Stock Company (parent company) and Da Nang Water Supply Sewerage Construction Limited Company (subsidiary) (hereinafter referred to as “the Group”) for the fiscal year ended as of December 31, 2025.

1. Overview

Danang Water Supply Joint Stock Company (“the Company”) was incorporated on the basis of equitization of Da Nang Water Supply Co., Ltd under Decision No. 5354/QĐ-UBND dated 09/08/2016 by People’s Committee of Danang City. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated July 01, 2010 by Danang Department of Planning and Investment (this Enterprise Registration Certificate has been amended ten times, and the latest amendment was made on July 10, 2025), the Enterprise Law, the Company Charter and other relevant regulations.

The Company was accepted for trading its common shares on UPCoM at Hanoi Stock Exchange in accordance with Decision No. 509/QĐ-SGDHN dated July 07, 2017 of the General Director of Hanoi Stock Exchange with stock code DNN. The official trading date of the share was July 17, 2017.

Charter capital as per the Enterprise Registration Certificate: VND 579,640,610,000

Paid-in capital as at December 31, 2025: VND 579,640,610,000

Group structure

Group consist of parent, 01 subsidiary under parent’s control.

Subsidiary is consolidated

| Company name | Address | Primary business activities | Closing balance | | | Opening balance | | |
|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|-----------------|-----------------------------------|-----------------------------------------|-----------------|-----------------------------------|-----------------------------------------|
| | | | Equity ratio | Rate of benefit of Parent Company | The voting rights of the Parent Company | Equity ratio | Rate of benefit of Parent Company | The voting rights of the Parent Company |
| Da Nang Water Supply Sewerage Construction Co., Ltd | No. 10 Trinh Cong Son, Hoa Cuong Ward, Da Nang City | Installation of the system water supply and drainage | 100% | 100% | 100% | 100% | 100% | 100% |

2. Head office

- Address: No. 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City.
- Tel: (84) 236.3697333
- Fax: (84) 236.3697222
- Email: Dawaco@vnn.vn

3. Principal activities

- Water collection, treatment and supply. Detail: Producing and trading in clean water for daily life, production activities and other needs;
- Architectural and engineering activities and related technical consultancy. Detail: Preparing construction investment projects. Consulting, designing and preparing total cost estimates of water supply and sewerage works of medium and small scale. Terrain and geological surveys, verification of design documents and cost estimates, construction supervision, management of the investment and construction of water supply and sewerage projects from Group B downwards;
- Construction of buildings. Detail: Construction of civil and industrial projects.
- Construction of other civil engineering projects. Detail: Construction of transportation projects, bridges, roads, hydraulic projects, water supply and sewerage projects, electrical projects up to 35 KV.
- Site preparation. Detail: Grading and filling ground.
- Technical examination and analysis. Detail: testing and measuring water meter.
- Production of soft drinks and mineral waters. Detail: Producing and trading in bottled drinking water;
- Water supply and sewerage, heating and air-conditioning system installation activities. Detail: Installation and construction of water supply works;
- Trading in other construction materials and equipment. Detail: Trading in materials and equipment exclusively used for construction of water supply and sewerage.

4. The Board of Directors, the Supervisory Board and the Management Board

Members of the Board of Directors, the Supervisory Board and the Management Board of the Company during the year and up to the reporting date are as follows:

4.1 The Board of Directors

| Name | Position | Appointed date/ Re-appointed | Dismissed date |
|-----------------------|---------------|---------------------------------|----------------|
| Mr. Ho Huong | Chairman | 29/10/2021 | |
| Mr. Dang Thanh Binh | Vice Chairman | 29/10/2021 | |
| Mr. Ho Minh Nam | Member | 29/10/2021 | |
| Mr. Nguyen Truong Anh | Member | 29/10/2021 | |
| Mr. Phan Thinh | Member | 01/05/2025 | |
| Mr. Le Duc Quy | Member | 29/10/2021 | 01/05/2025 |

4.2 The Supervisory Board

| Name | Position | Appointed date/ Re-appointed | Dismissed date |
|-----------------------|-----------------|---------------------------------|----------------|
| Ms. Nguyen Thi Thu Ha | Head of the BOS | 29/10/2021 | |
| Ms. Pham Thi Que Chi | Member | 29/10/2021 | |
| Ms. Tan Thi Mien Thao | Member | 18/04/2025 | |
| Mr. Thai Quoc Khanh | Member | 29/10/2021 | 18/04/2025 |

4.3 The Board of General Managers and the Chief Accountant

| Name | Position | Appointed date/ Re-appointed | Dismissed date |
|-----------------------|----------------------|---------------------------------|----------------|
| Mr. Ho Minh Nam | General Manager | 29/10/2021 | |
| Mr. Tran Phuoc Thuong | Vice General Manager | 14/12/2021 | |
| Mr. Phan Thinh | Vice General Manager | 01/05/2025 | |
| Mr. Le Duc Quy | Vice General Manager | 29/12/2021 | 01/05/2025 |
| Mr. Pham Hong Minh | Chief Accountant | 01/05/2025 | |
| Mr. Phan Thinh | Chief Accountant | 29/10/2021 | 01/05/2025 |

5. The Legal Representative

The Company's legal representative during the year and up to the time of this report is as follows:

| Name | Position | Appointed date | Dismissed date |
|-----------------|-----------------|----------------|----------------|
| Mr. Ho Minh Nam | General Manager | 29/10/2021 | |

6. Assess of operational performance

The business results and financial position (consolidate) of the Group for the financial year ended December 31, 2025 have been expressed in the Financial Statements (consolidate) attached to this Report from page 08 to page 48.

7. Subsequent Events

In the opinion of the Board of Directors, the Consolidated Financial Statements of the Group for the six-month period ended December 31, 2025 would not be seriously affected by any important items, transactions, or any extraordinary events happened up to the reporting date, which need any adjustments to the figures or disclosures in the Consolidated Financial Statements

8. Auditor

Branch of **VIETVALUES** Audit and Consulting Co., Ltd. in Da Nang city has performed the audit on the Group's consolidated financial statements for the fiscal year ended as of December 31, 2025.

9. Responsibility of the Board of General Managers

The Board of General Managers is responsible for the preparation and fair presentation of the Company's financial position, results of its operations and cash flow in the year. In respect of the preparation of the financial statements, The Board of General Managers is responsible for:

- Selecting suitable accounting policies and then applying them consistently.
- Making judgments and estimates that are reasonable and prudent.
- Stating whether applicable accounting principles have been followed or not, and there are any significant discrepancies that should be presented and explained in the financial statements or not.
- Preparing the financial statement ongoing concern basis, unless it is inappropriate to presume that the Company will continue as a going concern.

- Establishing and implementing the internal control systems effectively in order to limit the risks of material misstatement due to fraud or mistakes in the preparation and presentation of consolidated financial statements.

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

The Board of General Managers of the Company has complied with the above requirements in preparing the consolidated financial statements.

10. Approval of Consolidated Financial Statements

We, the Board of Directors has approved the accompanying consolidated financial statements. The consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and the consolidated results of operations and cash flows for the fiscal year ended as of December 31, 2025 in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting regime and the legal provisions relating to the preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



HO HUONG

Chairman of the Board of Directors

Danang, March 11, 2026



No: 008/2026/BCKT/AUD-DNVVALUES

INDEPENDENT AUDITOR'S REPORT

**To: THE SHAREHOLDERS, THE BOARD OF DIRECTORS
AND THE BOARD OF GENERAL MANAGERS
DANANG WATER SUPPLY JOINT STOCK COMPANY**

We have audited the accompanying Consolidated Financial Statements of Danang Water Supply Joint Stock Company and Da Nang Water Supply Sewerage Construction Limited Company (hereinafter referred to as "the Group"), prepared on March 11, 2026, from page 08 to page 48, which comprise the Consolidated Balance Sheet at December 31, 2025, Consolidated Income Statement, Consolidated Statement of Cash Flows for the fiscal year ended as of December 31, 2025 and Notes to the consolidated financial statements.

The Board of General Managers' responsibility

The Board of General Managers of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting standards, Vietnamese enterprises' accounting regime, as well as legal regulations related to the preparation and presentation of the consolidated financial statements and being responsible for such internal control as the Board of General Managers determines that is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Auditor's opinion

In our opinion, the Consolidated financial statements present fairly, in all material respects, the Consolidated financial position of Da Nang Water Supply Joint Stock Company as at 31 December 2025, and its Consolidated results of operations and Consolidated cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and relevant statutory requirements relating to the preparation and presentation of Consolidated financial statements.

Emphasis of Matter

We draw attention to Note VIII.3 “Comparative figures” in the notes to the Consolidated Financial Statements. As described in this note, pursuant to Official Letter No. 3415/UBND-STC dated 25 June 2024 issued by Da Nang City People’s Committee on the adjustment of expenses relating to the use of water supply infrastructure assets funded by the State budget and handed over by the investing entities to the State for management, which were taken over and put into operation by the Company from June 2015 to 31 December 2023, with a total amount of VND 66,057,265,726 (recognized in 2023 and 2024), the Company recorded an amount of VND 33,028,632,863 in cost of sales during 2024. Accordingly, the Company has retrospectively adjusted the comparative figures in accordance with the prevailing Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System on the recognition of expenses in the appropriate accounting periods.

Our opinion is not modified in respect of this matter.

Da Nang, March 11, 2026

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



Huynh Minh Hung – Director of Branch
Audit Practicing Registration Certificate
No: 3402-2025-071-1
Authorized signature

Tran Quoc Bao - Auditor
Audit Practicing Registration Certificate
No. 5199-2026-071-1

File:

- *As above.*
- *Save VIETVALUES.*

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

Unit: VND

| Code | ASSETS | Notes | 31/12/2025 | 01/01/2025 |
|------------|-------------------------------------------------------|-------|--------------------------|--------------------------|
| 1 | 2 | 3 | 4 | 5 |
| 100 | A. SHORT-TERM ASSETS | | 590,133,052,327 | 510,883,440,221 |
| 110 | I. Cash and cash equivalents | V.1 | 39,093,360,629 | 51,135,908,220 |
| 111 | 1. Cash | | 14,093,360,629 | 51,135,908,220 |
| 112 | 2. Cash equivalents | | 25,000,000,000 | - |
| 120 | II. Short-term financial investments | | 458,582,646,126 | 361,488,224,415 |
| 121 | 1. Trading securities | | - | - |
| 123 | 2. Held-to-maturity investments | V.2 | 458,582,646,126 | 361,488,224,415 |
| 130 | III. Short-term receivables | | 31,111,427,431 | 27,281,724,088 |
| 131 | 1. Short-term trade receivables | V.3 | 15,258,244,277 | 17,087,711,867 |
| 132 | 2. Short-term prepayments to suppliers | V.4 | 8,003,785,762 | 1,896,001,013 |
| 136 | 3. Other short-term receivables | V.5 | 15,717,880,784 | 16,286,543,075 |
| 137 | 4. Short-term allowances for doubtful debts | V.6 | (7,868,483,392) | (7,988,531,867) |
| 140 | IV. Inventories | V.7 | 53,981,753,545 | 42,443,524,082 |
| 141 | 1. Inventories | | 53,981,753,545 | 42,443,524,082 |
| 142 | 2. Allowances for decline in value of inventories (*) | | - | - |
| 150 | V. Other short-term assets | | 7,363,864,596 | 28,534,059,416 |
| 151 | 1. Short-term prepaid expenses | V.8a | 431,746,562 | 416,714,853 |
| 152 | 2. Deductible VAT | V.14 | 2,779,840,734 | 17,616,194,694 |
| 153 | 3. Taxes and other receivables from State budget | V.14 | 4,152,277,300 | 10,501,149,869 |
| 200 | B. LONG-TERM ASSETS | | 972,555,648,861 | 1,045,602,863,716 |
| 210 | I. Long-term receivables | | - | - |
| 220 | II. Fixed assets | | 906,189,086,090 | 1,002,883,388,396 |
| 221 | 1. Tangible fixed assets | V.9 | 904,453,611,086 | 1,000,790,221,728 |
| 222 | - Historical costs | | 2,581,634,598,415 | 2,575,899,715,202 |
| 223 | - Accumulated depreciation | | (1,677,180,987,329) | (1,575,109,493,474) |
| 227 | 2. Intangible fixed assets | V.10 | 1,735,475,004 | 2,093,166,668 |
| 228 | - Historical costs | | 11,888,575,951 | 11,738,575,951 |
| 229 | - Accumulated depreciation | | (10,153,100,947) | (9,645,409,283) |
| 240 | IV. Long-term assets in progress | | 54,523,313,743 | 33,241,663,169 |
| 241 | 1. Long-term work in progress | | - | - |
| 242 | 2. Construction in progress | V.11 | 54,523,313,743 | 33,241,663,169 |
| 250 | V. Long-term financial investments | | - | - |
| 260 | VI. Other long-term assets | | 11,843,249,028 | 9,477,812,151 |
| 261 | 1. Long-term prepaid expenses | V.8b | 11,843,249,028 | 9,477,812,151 |
| 262 | 2. Deferred tax assets | | - | - |
| 270 | TOTAL ASSETS | | 1,562,688,701,188 | 1,556,486,303,937 |

DANANG WATER SUPPLY JOINT STOCK COMPANY

Address: No 57 Xo Viet Nghe Tinh Street, Hoa Cuong ward, Da Nang City

Consolidated Balance Sheet (cont'd)

As at December 31, 2025

| Code | | RESOURCES | Notes | 31/12/2025 | 01/01/2025 |
|------------|------------|-------------------------------------------------------|-------|--------------------------|--------------------------|
| 1 | | 2 | 3 | 4 | 5 |
| 300 | C. | LIABILITIES | | 666,853,658,268 | 787,530,664,943 |
| 310 | I. | Short-term liabilities | | 256,319,483,112 | 307,793,819,254 |
| 311 | 1. | Short-term trade payables | V.12 | 48,730,394,604 | 42,469,751,122 |
| 312 | 2. | Short-term prepayments from customers | V.13 | 865,745,014 | 980,710,123 |
| 313 | 3. | Taxes and other payables to State budget | V.14 | 12,510,061,636 | 7,142,123,949 |
| 314 | 4. | Payables to employees | V.15 | 31,573,507,358 | 29,399,507,369 |
| 315 | 5. | Short-term accrued expenses | V.16 | 2,142,901,290 | 2,207,585,966 |
| 318 | 6. | Doanh thu chưa thực hiện ngắn hạn | | 1,215,342,467 | - |
| 319 | 6. | Other short-term payables | V.17a | 93,680,171,336 | 158,163,511,093 |
| 320 | 7. | Short-term borrowings and finance lease liabilities | V.18a | 60,444,104,136 | 60,483,921,067 |
| 322 | 8. | Bonus and welfare fund | V.19 | 5,157,255,271 | 6,946,708,565 |
| 330 | II. | Long-term liabilities | | 410,534,175,156 | 479,736,845,689 |
| 337 | 1. | Other long-term payables | V.17b | 77,668,085,003 | 90,364,937,728 |
| 338 | 2. | Long-term borrowings and finance lease liabilities | V.18b | 326,006,491,200 | 384,575,177,736 |
| 341 | 3. | Deferred income tax payables | | 384,399,531 | 321,530,803 |
| 343 | 4. | Science and technology development fund | | 6,475,199,422 | 4,475,199,422 |
| 400 | D. | OWNER'S EQUITY | | 895,835,042,920 | 768,955,638,994 |
| 410 | I. | Owner's equity | V.20 | 895,495,850,004 | 768,377,015,785 |
| 411 | 1. | Contributed capital | | 579,640,610,000 | 579,640,610,000 |
| 411a | | - Ordinary shares with voting rights | | 579,640,610,000 | 579,640,610,000 |
| 411b | | - Preference shares | | - | - |
| 412 | 2. | Capital surplus | | 8,993,538,265 | 8,993,538,265 |
| 418 | 3. | Development and investment funds | | 133,128,222,654 | 128,098,140,692 |
| 421 | 4. | Undistributed profit after tax | | 173,733,479,085 | 51,644,726,828 |
| 421a | | - Undistributed profit after tax brought forward | | (8,135,297,835) | (36,877,451,058) |
| 421b | | - Undistributed profit after tax for the current year | | 181,868,776,920 | 88,522,177,886 |
| 430 | II. | Funding sources and other funds | | 339,192,916 | 578,623,209 |
| 431 | 1. | Funding sources | | - | - |
| 432 | 2. | Funds used for fixed asset acquisition | V.21 | 339,192,916 | 578,623,209 |
| 440 | | TOTAL RESOURCES | | 1,562,688,701,188 | 1,556,486,303,937 |

Prepare

Thuy

NGUYEN THI THANH THUY

Chief Accountant

Minh

PHAM HONG MINH

Da Nang, March 11, 2026

General Manager



HO MINH NAM

CONSOLIDATED INCOME STATEMENT**For the fiscal year ended as of December 31, 2025**

Unit: VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|-----------------------------------------------------------|-------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 |
| 01 | 1. Revenues from sales and services rendered | VI.1 | 774,253,058,664 | 644,687,222,815 |
| 02 | 2. Revenue deductions | | - | - |
| 10 | 3. Net revenues from sales and services rendered | | 774,253,058,664 | 644,687,222,815 |
| 11 | 4. Costs of goods sold | VI.2 | 434,066,200,081 | 415,505,106,849 |
| 20 | 5. Gross revenues from sales and services rendered | | 340,186,858,583 | 229,182,115,966 |
| 21 | 6. Financial income | VI.3 | 25,618,968,480 | 24,903,652,055 |
| 22 | 7. Financial expenses | VI.4 | 23,740,670,120 | 28,798,461,146 |
| 23 | - In which: Interest expenses | | 23,740,670,120 | 28,798,461,146 |
| 24 | 8. Profit or loss of associates and joint ventures | | - | - |
| 25 | 9. Selling expenses | VI.5 | 39,979,741,389 | 38,100,686,812 |
| 26 | 10. General administration expenses | VI.6 | 49,680,290,345 | 47,817,079,406 |
| 30 | 11. Net profits from operating activities | | 252,405,125,209 | 139,369,540,657 |
| 31 | 12. Other income | VI.7 | 9,786,218,267 | 5,138,302,526 |
| 32 | 13. Other expenses | | 652,720,636 | 465,346,780 |
| 40 | 14. Other profits | | 9,133,497,631 | 4,672,955,746 |
| 50 | 15. Total net profit before tax | | 261,538,622,840 | 144,042,496,403 |
| 51 | 16. Current corporate income tax expenses | V.14 | 27,439,322,293 | 14,794,550,376 |
| 52 | 17. Deferred corporate income tax expenses | V.14 | 62,868,727 | 150,925,441 |
| 60 | 18. Profits after corporate income tax | | 234,036,431,820 | 129,097,020,586 |
| 61 | 19. Net profit after tax of the parent | | 234,036,431,820 | 129,097,020,586 |
| 62 | 20. Net profit after tax of NCI | | - | - |
| 70 | 21. Basic earnings per share | VI.8 | 3,594 | 1,983 |
| 71 | 22. Diluted earnings per share | VI.9 | 3,594 | 1,983 |

Prepare



NGUYEN THI THANH THUY

Chief Accountant



PHAM HONG MINH

Da Nang, March 11, 2026

General Manager



HO MINH NAM

STATEMENT OF CONSOLIDATED CASH FLOWS

(Indirect method)

For the fiscal year ended as of December 31, 2025

Unit: VND

| Code | Items | Notes | Current year | Previous year |
|------|------------------------------------------------------------------------------------------------------------|-----------|-------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 |
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | 1. Profit before tax | | 261,538,622,840 | 144,042,496,403 |
| | 2. Adjustments for | | - | - |
| 02 | - Depreciation of fixed assets and investment properties | V.9, V.11 | 115,949,692,171 | 114,802,981,917 |
| 03 | - Provisions | | (120,048,475) | 84,200,623 |
| 04 | - Gains (losses) on exchange rate differences from revaluation of accounts derived from foreign currencies | | - | (14,643,447) |
| 05 | - Gains (losses) on investing activities | VI.3 | (25,616,357,786) | (24,869,189,069) |
| 06 | - Interest expenses | VI.4 | 23,740,670,120 | 28,798,461,146 |
| 07 | - Other adjustments | | - | - |
| 08 | 3. Operating profit before changes in working capital | | 375,492,578,870 | 262,844,307,573 |
| 09 | - Increase (decrease) in receivables | | 26,761,636,789 | 16,863,393,762 |
| 10 | - Increase (decrease) in inventories | | (11,538,229,463) | (2,113,038,886) |
| 11 | - Increase (decrease) in payables (exclusive of interest payables, enterprise income tax payables) | | (55,907,392,035) | (76,214,087,581) |
| 12 | - Increase (decrease) in prepaid expenses | | (2,380,468,586) | (838,419,354) |
| 14 | - Interest paid | | (23,800,730,287) | (28,872,942,880) |
| 15 | - Corporate income tax paid | V.14 | (14,893,846,402) | - |
| 16 | - Other receivables on operating activities | | - | - |
| 17 | - Other payments on operating activities | | (15,964,553,294) | (16,728,371,128) |
| 20 | Net cash flows from operating activities | | 277,768,995,592 | 154,940,841,506 |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | 1. Expenditures on purchase and construction of fixed assets and long- | | (66,106,852,807) | (38,858,202,529) |
| 23 | 2. Expenditures on loans and purchase of debt instruments from other | | (513,269,767,377) | (315,737,978,104) |
| 24 | 3. Proceeds from lending or repurchase of debt instruments from other | | 416,175,345,666 | 316,955,717,809 |
| 27 | 4. Proceeds from interests, dividends and distributed profits | | 24,740,732,402 | 27,504,714,711 |
| 30 | Net cash flows from investing activities | | (138,460,542,116) | (10,135,748,113) |
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 33 | 1. Proceeds from borrowings | VII.1 | 1,875,417,600 | - |
| 34 | 2. Repayment of principal | VII.2 | (60,483,921,067) | (61,944,423,952) |
| 36 | 3. Dividends and profits paid to owners | V.20 | (92,742,497,600) | (98,538,903,700) |
| 40 | Net cash flows from financing activities | | (151,351,001,067) | (160,483,327,652) |
| 50 | Net cash flows during the fiscal year (20+30+40) | | (12,042,547,591) | (15,678,234,259) |
| 60 | Cash and cash equivalents at the beginning of fiscal year | | 51,135,908,220 | 66,799,499,032 |
| 61 | Effect of exchange rate fluctuations | | - | 14,643,447 |
| 70 | Cash and cash equivalents at the end of fiscal year | V.1 | 39,093,360,629 | 51,135,908,220 |

Prepare

NGUYEN THI THANH THUY

Chief Accountant

PHAM HONG MINH



Da Nang, March 11, 2026

General Manager

HO MINH NAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended as of December 31, 2025

These notes are an integral part of and should be read in conjunction with the audited Consolidated Financial Statements for the fiscal year ended as of December 31, 2025 of Da Nang Water Supply Joint Stock Company (parent company) and Da Nang Water Supply Sewerage Construction Limited Company (subsidiary) (hereinafter referred to as "the Group").

I. NATURE OF OPERATIONS

1. Forms of ownership

Da Nang Water Supply Joint Stock Company (hereinafter referred to as "the Company") was incorporated on the basis of equitization of Da Nang Water Supply Co., Ltd under Decision No. 5354/QĐ-UBND dated 09/08/2016 by Da Nang City People's Committee. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated 01/7/2010 by Da Nang City Planning and Investment Department (this Enterprise Registration Certificate has been amended ten times, and the nearest amendment was made July 10, 2025), the Enterprise Law, its Charter and other relevant regulations.

The Company was accepted for trading its common shares on Upcom at Hanoi Stock Exchange in accordance with Decision No. 509/QĐ-SGDHN dated 07/07/2017 of the General Director of Hanoi Stock Exchange with stock code DNN. The official trading date of the share was 17/07/2017.

2. Principal scope of business

The Group operates in many different fields, including: Producing and trading clean water.

3. Operating activities

The Group's operating activities are:

- Water collection, treatment and supply. Detail: Producing and trading in domestic water, production activities and other needs;
- Architectural and engineering activities and related technical consultancy. Detail: Preparing construction investment projects. Consulting, designing and preparing total cost estimates of water supply and sewerage works of medium and small scale. Terrain and geological surveys, verification of design documents and cost estimates, construction supervision, management of the investment and construction of water supply and sewerage projects from Group B downwards;
- Technical examination and analysis. Detail: testing and measuring water meter.
- Production of soft drinks and mineral waters. Detail: Producing and trading in bottled drinking water;
- Water supply and sewerage, heating and air-conditioning system installation activities. Detail: Installation and construction of water supply works;
- Trading in other construction materials and equipment. Detail: Trading in materials and equipment exclusively used for construction of water supply and sewerage.

4. Normal production and business cycle

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

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

Revenue in 2025 increased by more than 20% compared to the previous year, mainly due to the growth in the volume of water sold together with an increase in clean water tariffs of more than 13%, effective from 1 January 2025. Meanwhile, the cost of goods sold increased by only approximately 5% compared to the previous year, mainly due to lower raw water costs in accordance with Decision No. 2967/QĐ-UBND dated 31 December 2024, under which the Group recognizes raw water purchase costs based on actual prices. In addition, financial income increased while interest expenses decreased, resulting in profit before tax in 2025 increasing by more than 81% compared to 2024.

The Group has no events related to the legal environment, market developments, business operation characteristics, management, finance, mergers, divisions, splits, or changes in scale,... that affect the Company's Financial Statements during the period.

6. Group Structure

Group consist of parent and 01 subsidiary under parent's control.

Number of consolidated subsidiaries: 01

| Company name | Address | Primary business activities | Closing balance | | | Opening balance | | |
|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|-----------------|-----------------------------------|-----------------------------------------|-----------------|-----------------------------------|-----------------------------------------|
| | | | Equity ratio | Rate of benefit of Parent Company | The voting rights of the Parent Company | Equity ratio | Rate of benefit of Parent Company | The voting rights of the Parent Company |
| Da Nang Water Supply Sewerage Construction Co., Ltd | No. 10 Trinh Cong Son, Hoa Cuong Ward, Da Nang City | Installation of the system water supply and drainage | 100% | 100% | 100% | 100% | 100% | 100% |

7. Employees

As on December 31, 2025, there are 510 persons who are working at the Group. (There are 532 persons as at January 1, 2025).

II. THE FISCAL YEAR, THE CURRENCY USED IN ACCOUNTING

1. The fiscal year

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

Particularly for this Financial Report is the Consolidated Financial Report for the fiscal year ending December 31, 2025.

2. The currency used in accounting

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

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting standards and system

The Group applies Vietnamese accounting standards, Vietnamese Accounting Policies for enterprises guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circulars guiding the implementation of accounting standards of the Ministry of Finance in preparing and presenting financial statements and Circular No. 202/2014/TT-BTC dated 22nd December 2014 guiding the method of Consolidated financial statements preparation and presentation.

Accordingly, the consolidated statement of financial position on December 31, 2025, consolidated income statement, consolidated statement of cash flows and notes to the consolidated financial statement are not intended for persons who are not provided with information on accounting procedures, principles and practices in Vietnam. And furthermore, they are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with widely accepted accounting principles and practices in countries and territories other than Vietnam.

2. Declaration of compliance with accounting standards and system

The Board of General Managers ensures compliance with the requirements of Vietnamese accounting standards and Vietnamese corporate accounting regime issued in accordance with Circular No. 200/2014/TT-BTC dated 22/12/2014, Circular No. 202/2014/TT-BTC dated 22/12/2014 as well as circulars guiding the implementation of accounting standards of the Ministry of Finance related to the preparation and presentation of consolidated financial statements for the fiscal year ended December 31, 2025.

IV. APPLICABLE ACCOUNTING POLICIES

1. Basis of preparing the consolidated financial statements

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

2. Basis of consolidation

Subsidiary

The Group's consolidated financial statements for the fiscal year ended as of December 31, 2024 comprise the financial statements for the fiscal year ended as of December 31, 2024 of parent (Da Nang Water Supply Joint Stock Company) and its subsidiary (Da Nang Water Supply Sewerage Construction Limited Company). Subsidiary is under parent's control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity at the end of the period.

Result of the subsidiary acquired or sold during the period is presented in the Consolidated Income Statement for the fiscal year ended as of December 31, 2024 from the date of purchase or until the date of sale of the investment in that subsidiary.

The financial statements for the fiscal year ended as of December 31, 2024 of the parent company and subsidiaries are prepared for the same period and using consistent accounting policies for the same transactions and events in similar circumstance. In cases where a subsidiary's accounting policies differ from the uniform accounting policies applied within the Group, the subsidiary's financial statements shall be appropriately adjusted before being used for the preparation of the consolidated financial statements for the financial year ended 31/12/2024.

All intra-company balances and transactions, unrealized profits arising from intra-company transactions, have been eliminated in full. Unrealized losses arising from intra-group transactions are also eliminated unless the costs of the loss cannot be recovered.

Non-controlling interest represent the portion of profit or loss of subsidiaries not held by the parent company, they are presented separately in the consolidated income statement for the fiscal year ended as of December 31, 2025 and the consolidated balance sheet as on December 31, 2025 (within Equity). Non-Controlling Interest consist of the amount of benefit at the date of the original business combination and benefit at the change in equity since the date of the combination. Losses in subsidiaries are attributed to the non-controlling shareholders corresponds to their possessive part even if the loss is greater than the non-controlling shareholder's share of the subsidiary's net assets.

3. Cash and cash equivalents

Cash includes cash on hand, cash in bank and cash in transit.

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

4. Financial investments

Held-to-maturity investments

Investments are classified as held to maturity when the Group has the intention and ability to hold until the maturity date. Held-to-maturity investments include term deposits with banks (including treasury bills, promissory notes), bonds and preferred stocks that must be repurchased by issuers at a certain time in the future and held to maturity loans for the purpose of earning periodic interest and other held to maturity investments.

Held-to-maturity investments are initially stated at historical cost, which includes the purchase price and expenses associated with the purchase of investments. After initial receipt, these investments are recorded at recoverable value. Interest income from held-to-maturity investments after the acquisition date is recognized in the income statement on an accrual basis. Interest earned before the holding of the Group is recorded as a deduction at historical cost at the time of purchase.

When there is solid evidence that a part or all of the investment may not be recoverable and the losses are reliably determined, losses are recognized in financial expenses in the year and reduced direct investment value.

5. Receivables

Receivables are presented at cost less allowance for doubtful receivables.

The classification of trade receivables and other receivables is presented following these principles:

- Trade receivables include commercial receivables generating from purchase-sale related transactions between the Group and buyers, also include receivables from sale export goods conducted by consignees.
- Other receivables include non-commercial receivables which is not related to buying-selling transactions.

Allowance for doubtful receivables is made for each doubtful receivable when:

- Overdue receivables recorded in economic contracts, loan agreements, contract commitments, or debt commitments, that the business has repeatedly claimed but has not yet been able to collect. Determining the overdue duration of a receivable debt that is deemed to be bad and necessitates provisioning is based on the principal payback time as the original purchase and sale contract, regardless of a debt extension between parties;
- Debts receivable are not due for payment but the debtor has fallen into bankruptcy or is undergoing dissolution procedures, missing or absconding.

The increase, decrease in balance of allowance for doubtful debts need to be made at the end of the balance sheet date and recorded in the administrative expenses.

6. Inventories

Inventories are recognized as lower cost between historical and net realizable values.

Inventories' cost is determined that:

- Materials, tools and supplies, goods: included purchase cost and other directly related cost occurred to recognize inventories' cost at the current place and status.
- Work-in-progress: includes direct raw material costs, direct labour and general costs.

Net realizable value is determined by taking the 'estimated selling price' of inventories in the regular course of business minus 'estimated cost for inventories completions and consumptions'

Inventories' cost is recognized with the method weighted average cost and managed by perpetual system.

Allowance for decline in inventories was created when net realizable value was lower than historical cost. For services provided in progress, the provision for discounts is calculated according to the specific type of service with a separate price. The increasing, decreasing amount in balance of allowance for decline in inventories need to be made at the end of the balance sheet date and recorded in the cost of goods sold.

7. Prepaid expenses

Prepaid expenses are classified into short-term prepaid expense and long-term prepaid expenses on the Balance sheet and are allocated over the prepaid period or the period in which economic benefits are generated from these expenses.

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

Tools and instruments

Cost of tools and instruments being put into use are allocated in accordance with the straight-line method for a period of not more than 24 months.

Cost of repairing fixed assets

Cost of repairing assets with great value is allocated to cost under the straight-line method for a period of not more than 36 months.

Other prepaid expenses

Other prepaid expenses are allocated over the prepaid period or the period in which economic benefits are generated from these expenses.

8. Tangible fixed assets

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

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

Depreciating the cost of tangible fixed assets is calculated on straight-line method, based on estimated useful life of the assets. In details:

| <u>Kind of assets</u> | <u>Depreciation period (years)</u> |
|--------------------------------|------------------------------------|
| Buildings, Architectures | 10 – 25 |
| Machinery, equipment | 06 – 15 |
| Means of transportation | 06 – 15 |
| Equipment and management tools | 04 – 10 |
| Other intangible fixed assets | 06 - 12 |

9. Intangible fixed assets

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

The cost of intangible fixed assets comprises their purchase price and all the costs incurred by the Group to acquire those assets as of the time of putting such assets into the ready for use state.

The costs related to intangible fixed assets arising after initial recognition are recognized as production and business expenses in the year unless these costs are associated with a specific intangible fixed asset, and increase economic benefits from these assets.

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

Intangible fixed assets of the Group as follows:

Software program

The cost associated with computer software programs is not an integral part of the related hardware capitalized. The cost of computer software is all the expenses paid by the Group by the time the software is put into use. The depreciation period for different types of software is as follows:

| <u>Kind of assets</u> | <u>Depreciation period (years)</u> |
|-----------------------|------------------------------------|
| Management software | 04 - 05 |
| Website | 04 |
| Accounting software | Fully depreciation |

10. Business combination and Goodwill

Business combinations shall be accounted for by applying the acquisition method. Cost of the business combination consists of: the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or admitted, and equity instruments issued by the acquirer, in exchange for control of the acquiree and any costs directly attributable to the business combination. Acquired identifiable assets and liabilities and contingent liabilities in a business consolidation shall be recorded according to the fair value date of obtaining control.

For a multi-stage business combination, the cost of the business combination is calculated as the total cost of the investment at the date of obtaining control of the subsidiary plus the cost of the previous investment revalued at fair value at the date of obtaining control of the subsidiary. The difference between the revaluation price and the cost of the investment is recognized in the income statement if before the date of obtaining control, the Group has no significant effect on the subsidiary, and the investment is presented with the cost method. If before the date of obtaining control, the Group has significant effect and the investment was disclosed under the equity method, the difference between the revaluation price and the value of the investment under equity method is recognized in the income statement, the difference between the value of investment under equity method and the cost of investment is recognized directly in item "Undistributed earnings" in Consolidated Statement of Financial position for the fiscal year ended as of December 31, 2024.

The higher difference between the cost of the business combination from the Group's interest in the net fair value of the identifiable assets and recognized contingent assets at the date of obtaining control is recognized as goodwill. If the Group's share of the net fair value of the assets, identifiable liabilities, and contingent liabilities recognized at the date of achieving control of the subsidiary exceeds the cost of the business combination The distinction is noted in the financial outcomes.

Goodwill is amortized according to straight-line basis within 10 years. When there is evidence that goodwill impairment is greater than the amortization, the amortization in the year is the number of impairments incurred.

Non-controlling interests at the initial date of business combination are determined on the basis of the proportion of non-controlling interests in the fair value of the recognized assets, liabilities and contingent liabilities.

11. Liabilities and accruals

Liabilities and accruals are recognized for payable amounts in the future related to the received goods and services. Accruals are recognized based on the reasonable estimates of the payable amounts.

Payables are classified as trade payables, accruals, internal payables and other payables comply with the following principles:

- Trade payables reflect the commercial elements arising from purchasing transactions of goods, services, assets and the seller is an independent entity, include payables from import by a trustee.
- Accruals reflect the payables to the received goods and services from seller or provided to buyer but not yet paid due to do not have invoice or insufficient accounting records and vouchers and payable to employees on sabbatical salary, operating costs must be accrued.
- Other payables reflect the non-commercial elements, unrelated to selling - purchasing transactions, rendering of services.

12. Loans and finance lease liabilities

Loans and finance lease liabilities are reflected at historical cost and classified into short-term liabilities and long-term liabilities when presented in the financial statements.

The Group monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies. Loans and financial lease liabilities that are monetary items denominated in foreign currencies are revalued at the selling exchange rate at the end of the period of the commercial bank where the Group regularly has transactions

13. Owners' equity

The owner's contributed capital

The owner's contributed capital reflects the amount of capital actually contributed by the Group's shareholders.

Share premium

Share premium is recognized by the difference between the issuing price and the par value of shares at the first issue, additional issuance, the difference between the reissue price and the book value of treasury shares and the Capital portion of convertible bonds at maturity. Direct expenses related to the additional issuance of shares and re-issuance of treasury shares are recorded to reduce the share premium.

14. Profit distribution

Profits after corporate income taxes is distributed to the shareholders after building funds in accordance with the Company's Charter as well as law and the approval of the General Meeting of Shareholders.

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

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

15. Recognition of revenue

Revenue is recognized when the Group has the ability to receive certain economic benefits that can be reliably determined. Revenue is determined at the fair value of the amounts collected or to be earned after deduction of trade discounts, sales devaluation and sales returns.

Revenue from sales

Revenue from sales is recognized when all of the following conditions are met:

- The Group has transferred most of risks and benefits associated with ownership of products, goods to the buyer.
- The Group no longer hold the right to manage goods as owners or the right to control goods.
- Revenue is determined with relative certainty.
- The Group has gained or will gain economic benefits from the good sale transaction.
- Costs related to sale transactions may be determined.

Construction revenue

When the construction contract performance result can be reliably estimated:

- Where a construction contract stipulates that the contractor is allowed to make payments according to the set schedule, revenue and related costs are recognized in proportion to the work completed, as determined by the Company at the financial year-end.
- Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the invoice.

Increase and decrease amounts of construction and installation volume, compensation income and other income are recognized as revenue when having unanimity from customer.

When the construction contract performance result cannot be reliably estimated:

- Revenue shall only be recognized to match the already arising contract costs, the reimbursement thereof is relatively sure.
- Contract costs shall only be recognized as in-period costs when they have already arisen.
- The difference between the total accumulated revenues of the construction contract recognized and the accumulated amount inscribed in invoices of payments according to the scheduled progress of the contract is recognized as a receivable or payable according to the scheduled progress.

Revenue from lease operating assets

Revenue from lease operating assets is recorded on a straight-line method over the term of the lease. Revenue received in advance of many periods are allocated to revenue in accordance with the rental period.

Interest

Interest is recognized on an accrual basis, determined on the balance of deposit accounts and actual interest rates for each period.

Dividends and shared profit

Dividends and shared profit are recognized when the Group are entitled to receive dividends or profits from the capital contribution. Received dividends are shares, that are only monitored for the increase in the number of shares, not for the value of shares received/recorded in denomination.

16. Revenue deductions

Revenue deductions include: sale discount, sale devaluation and sale returns. Sales deductions incurred in the same period of the related sales of products, goods and services and they are recorded as deduction of revenue of the period.

In cases where products, goods or services have been consumed in previous years, and this year new trade discounts, sales price reductions or returns arise, a decrease in revenue will be recorded according to the principle of:

- If sales deductions occur before the issuance of the consolidated financial statements, they are recorded as deductions revenue in consolidated financial statements for the fiscal year ended as of December 31, 2024.
- If the sales deductions occur after the issuance of the consolidated financial statements, they are recorded as deductions revenue in consolidated financial statements for next fiscal year.

17. Cost of goods sold

Cost of goods sold is the total cost of goods, finished products and direct costs of the volume of goods and services provided, other expenses are included or recorded reducing in the cost of goods.

18. Financial expenses

Financial expenses are the costs related to financial activities including expenses or losses associated with financial investment activities, lending and borrowing costs, loss of short-term securities transfers, transaction costs of selling currencies, provisions for investment losses in the units, other, losses arising when selling foreign currencies, exchange rate losses....

19. Selling expenses and General administration expenses

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

20. Borrowing costs

Borrowing costs include interest and other costs directly related to loans.

Borrowing costs are recognized as expense when incurred. Borrowing costs directly related to the construction investment or production of uncompleted assets need a duration long enough (over 12 months) to be put to use according to the set purposes or to sale shall be accounted into the value of such assets. Regarding loans serving the construction of fixed assets, investment properties, the interests shall be capitalized even if the construction duration is under 12 months. Incomes from temporary investments of borrowings shall be offset against the cost of related assets.

In case of borrowings, which are used for the purpose of investment in construction or production of an uncompleted assets, the borrowing costs eligible for capitalization in each accounting period shall be determined according to the capitalization rate for weighted average accumulated costs incurred to the investment in construction or production of such asset. The capitalization rate shall be calculated according to the weighted average interest rate applicable to the enterprise's borrowings unrepaid in the period, except for particular borrowings for purpose of obtaining a specified asset.

21. Corporate income tax

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

Current income tax

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

Deferred corporate income tax

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

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. Deferred corporate income tax assets are not yet recorded in before that will be reconsidered as at the accounting period ended and recorded when being reliably taxable profit to be able to use deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered, or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

Deferred income tax assets and deferred income tax liabilities should be offset when:

- The Group has a legal right to implement the offset of current income tax assets and current income tax payable; and
- Those deferred income tax assets and deferred income tax payable related to corporate income tax is administered by the same tax authority:
 - For the same taxable entity; or
 - The Group intends to pay current income tax payable and current income tax assets on the basis of net or recover assets at the same time with the payment of liabilities in each future period when the significant deferred income tax payable or deferred income tax assets to be paid or recovered.

22. Foreign currency transaction

Transactions denominated in foreign currencies are converted into VND using the actual exchange rate at the date of the transaction. The balances of monetary items denominated in foreign currencies at the year-end are revaluated at the actual exchange rate of that date.

Foreign exchange differences arising on transactions in foreign currencies in the period are recognized in financial income or expenses. Exchange differences arising from revaluation of monetary items denominated in foreign currencies at the fiscal year ended date, after balancing increase and decrease differences, are recorded in financial income or expenses.

Exchange rate used for converting transactions denominated in foreign currency is the actual exchange rate at the time of the transactions. Actual exchange rates for foreign currency transactions are determined as follows:

- Actual exchange rate when trading foreign currencies (forex forward contracts for immediate delivery, forward contracts, futures contracts, options contracts, swap contracts): the exchange rate in the foreign currency trading contract signed between the Group and the bank.
- In case the contract does not state the payment rate:
 - For capital contributions or receipt of capital contributions: the buying rate of the bank where the Group opens its account to receive investors' capital at the date of contribution.
 - For receivables: the buying rate of the commercial bank where the Group appoints its customer for making payment at the transaction time.
 - For payables: the selling rate of commercial bank where the Group anticipates conducting transactions at the date of the transactions.
 - For purchases of assets or expenses paid immediately in foreign currency (not through the payable accounts): the buying rate of the commercial bank where the Group makes payment.

Exchange rate used for revaluation of balance of the monetary items denominated in foreign currencies at the end of the fiscal year is determined based on the following principles:

- For foreign currency accounts in banks: the buying rate of the bank where the Group opens its foreign currency accounts.
- For monetary items denominated in foreign currencies classified as other assets: the buying rate of the bank where the Group regularly has transactions.
- For monetary items denominated in foreign currencies classified as liabilities: the selling rate of the bank where the Group regularly has transactions.

23. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or common significant influences.

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

24. Segment reporting

A business segment is a component which can be separated by the Group engaged in producing or providing products, services, which is subject to risks and returns that are different from those of other business segments.

A geographical segment is a component which can be separated by the Group engaged in producing or providing products, services within a particular economic environment, which is subject to risks and returns that are different from those of segments in other economic environments.

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED BALANCE SHEET (Unit: VND)

1. Cash and cash equivalents

| | Dec 31, 2025 | Jan 01, 2025 |
|------------------------------------------------------|-----------------------|-----------------------|
| Cash in hand | 31,125,692 | 56,242,485 |
| Cash at bank | 14,062,234,937 | 51,079,665,735 |
| Tương đương tiền - Tiền gửi kỳ hạn không quá 3 tháng | 25,000,000,000 | - |
| - Vietnam-Russia Joint Venture Bank - Da Nang Branch | 25,000,000,000 | - |
| Total | 39,093,360,629 | 51,135,908,220 |

DANANG WATER SUPPLY JOINT STOCK COMPANY
57 Xo Viet Nghe Tinh Street, Hoa Cuong ward, Da Nang City
CONSOLIDATED FINANCIAL STATEMENTS
For the fiscal year ended as of December 31, 2025
Notes to the consolidated financial statements (Cont'd)

2. Held-to-maturity investments

| | Dec 31, 2025 | Jan 01, 2025 |
|------------------------------------------------------------------------|------------------------|------------------------|
| More than 3 months to 1 year term deposits | 458,582,646,126 | 361,488,224,415 |
| - National Citizen Commercial JS Bank - Da Nang Branch | 105,000,000,000 | - |
| - EVN Finance JS Company | 100,000,000,000 | 130,000,000,000 |
| - Vietnam-Russia Joint Venture Bank - Da Nang Branch | - | 37,000,000,000 |
| - SaiGon-HaNoi Commercial JS Bank - Da Nang Branch | 87,534,971,634 | 52,400,000,000 |
| - Vietnam Asia Commercial JS Bank - Da Nang Branch | 45,000,000,000 | 97,000,000,000 |
| - Vietnam Thuong Tin Commercial JS Bank - Thanh Khe Transaction Office | 10,000,000,000 | 7,000,000,000 |
| - An Binh Commercial JS Bank - Da Nang Branch | 35,000,000,000 | - |
| - JS Commercial Bank For Foreign Trade Of Vietnam | 6,047,674,492 | 5,787,283,615 |
| - Ngân hàng TMCP Việt Nam Thịnh Vượng Branch | - | - |
| - Nam A Commercial JS Bank - Da Nang Branch | - | 30,000,000,000 |
| - Orient Commercial Bank - Da Nang Branch | - | 2,300,940,800 |
| - Orient Commercial Bank - Da Nang Branch | 20,000,000,000 | - |
| - Vietnam Export Import Commercial Bank - Da Nang Branch | 20,000,000,000 | - |
| - Saigon Thuong Tin Joint Stock Bank - Da Nang Branch | 30,000,000,000 | - |
| Total | 458,582,646,126 | 361,488,224,415 |

There were no deposits pledged or loans secured as of December 31, 2025.

3. Short-term trade receivables

| | Dec 31, 2025 | Jan 01, 2025 |
|---------------------------------------------------------|-----------------------|-----------------------|
| <i>Receivables from customers being related parties</i> | - | - |
| <i>Receivables from other customers</i> | 15,258,244,277 | 17,087,711,867 |
| - Trung Nam Hue Crossroad BT Limited Company | 4,090,711,000 | 4,129,593,002 |
| - Others | 11,167,533,277 | 12,958,118,865 |
| Total | 15,258,244,277 | 17,087,711,867 |

As of December 31, 2025, the overdue customer receivable balance is VND 7,772,905,085. The Group has made provisions for bad debts according to regulations.

DANANG WATER SUPPLY JOINT STOCK COMPANY
57 Xo Viet Nghe Tinh Street, Hoa Cuong ward, Da Nang City
CONSOLIDATED FINANCIAL STATEMENTS
For the fiscal year ended as of December 31, 2025
Notes to the consolidated financial statements (Cont'd)

4. Short-term prepayment to suppliers

| | Dec 31, 2025 | Jan 01, 2025 |
|---------------------------------------------------------------------|----------------------|----------------------|
| Prepayments to related parties | - | - |
| Prepayments to other entities | 8,003,785,762 | 1,896,001,013 |
| VisNam Informatics Technology Solution and Business Company Limited | - | 314,880,000 |
| Tin Nghia Trading and Technical Services Co., Ltd (a) | 4,686,000,000 | - |
| Asia Engineering Joint Stock Company (b) | 867,089,003 | - |
| Others | 2,450,696,759 | 1,581,121,013 |
| Total | 8,003,785,762 | 1,896,001,013 |

As of December 31, 2025, the balance of short-term prepayments to sellers determined to be bad debt is VND 955,081,263. The Group has made provisions for bad debts according to regulations.

- (a) Advance payments for directional drilling works for pipeline installation across the river under Contract No. 57/2025/HĐTC-CTCN dated 9 July 2025, and advance payments for pipeline installation and the supply and installation of equipment under Contract No. 61/2025/HĐTC-CTCN dated 17 July 2025.
- (b) Advance payments for the installation of D400 and D300 water supply pipelines under Contract No. 76/2025/HĐTC-CTCN dated 15 September 2025

5. Other short-term receivables

| | Dec 31, 2025 | | Jan 01, 2025 | |
|-----------------------------------------|-----------------------|-----------|-----------------------|-----------|
| | Amount | Allowance | Amount | Allowance |
| Receivables from related parties | - | - | - | - |
| Receivables from other entities | 11,190,641,191 | - | 10,781,218,815 | - |
| - Accrued interest | 9,655,366,391 | - | 8,779,741,007 | - |
| - Advance | 1,535,274,800 | - | 2,001,477,808 | - |
| - Short-term deposits | 712,212,080 | - | 1,190,078,000 | - |
| - Other receivables | 3,815,027,513 | - | 4,315,246,260 | - |
| Total | 15,717,880,784 | - | 16,286,543,075 | - |

Short-term deposits are deposits to return construction sites according to the construction license granted by the Department of Transport of Da Nang City.

As at 31/12/2025, the Group has no other receivables that are past due or uncollectible.

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6. Short-term allowances for doubtful debts

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Allowances for receivable debt which has been overdue for 3 years or more | 7,481,856,843 | 7,380,094,026 |
| Allowances for receivable debt which has been overdue for between 2 years and under 3 years | 215,240,087 | 344,081,448 |
| Allowances for receivable debt which has been overdue for between 1 year and under 2 years | 119,921,956 | 210,958,681 |
| Allowances for receivable debt which has been overdue for between over 6 months and under 1 year | 51,464,506 | 53,397,712 |
| Closing balance | <u>7,868,483,392</u> | <u>7,988,531,867</u> |

Statement of changes in allowances for short-term doubtful debts

| | <u>Current year</u> | <u>Previous year</u> |
|--------------------------|-----------------------------|-----------------------------|
| Opening balance | 7,988,531,867 | 7,904,331,244 |
| Increase during the year | 74,016,277 | 84,200,623 |
| Decrease during the year | (194,064,752) | - |
| Closing balance | <u>7,868,483,392</u> | <u>7,988,531,867</u> |

7. Inventories

| | <u>Dec 31, 2025</u> | | <u>Jan 01, 2025</u> | |
|--------------------|------------------------------|------------------|------------------------------|------------------|
| | <u>Historical cost</u> | <u>Allowance</u> | <u>Historical cost</u> | <u>Allowance</u> |
| Raw materials | 51,903,475,063 | - | 40,197,139,972 | - |
| Tools and supplies | 361,825,215 | - | 363,155,106 | - |
| Work in progress | 1,716,453,267 | - | 1,883,229,004 | - |
| Total | <u>53,981,753,545</u> | <u>-</u> | <u>42,443,524,082</u> | <u>-</u> |

- Raw materials are water industry materials such as pipes, clocks, flanges, water valves, faucets, rubber rings, water treatment chemicals ...; materials used for construction and installation activities such as iron, steel, sand; fuel used for motorcycles such as gasoline, oil, lubricant and some other materials.

- Tools and instruments are types of labor protection, hygiene tools.

- Work in progress is the value of uncompleted and untested grave construction works as on December 31, 2025.

- There is no stagnant, inferior quality inventory as on December 31, 2025.

- There is no inventory for collateral, mortgaged to ensure the debt as on December 31, 2025.

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8. Prepaid expenses

8a. Short-term

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> |
|-----------------------------------|---------------------------|---------------------------|
| Insurance expense | 118,472,000 | 281,583,351 |
| Other short-term prepaid expenses | 313,274,562 | 135,131,502 |
| Total | <u>431,746,562</u> | <u>416,714,853</u> |

The movement of short-term prepaid expenses during the period

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------|---------------------------|---------------------------|
| Opening balance | 416,714,853 | 241,579,478 |
| Increase | 1,202,965,063 | 1,030,295,698 |
| Allocation in the year | (1,187,933,354) | (855,160,323) |
| Closing balance | <u>431,746,562</u> | <u>416,714,853</u> |

8b. Long-term

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> |
|--------------------------------------------------|------------------------------|-----------------------------|
| Cost of installing branch pipes | 6,297,066,115 | 4,432,764,564 |
| Other instrument & tools awaiting for allocation | 5,546,182,913 | 5,045,047,587 |
| Total | <u>11,843,249,028</u> | <u>9,477,812,151</u> |

The movement of long-term prepaid expenses during the period

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------|------------------------------|-----------------------------|
| Opening balance | 9,477,812,151 | 8,814,528,172 |
| Increase | 17,508,649,574 | 13,898,116,716 |
| Decrease | (12,397,327) | (73,717,846) |
| Allocation in the year | (15,130,815,370) | (13,161,114,891) |
| Closing balance | <u>11,843,249,028</u> | <u>9,477,812,151</u> |

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9. Tangible fixed assets

| | Buildings and Architecture | Machinery and equipment | Means of transportation & transmitters | Office equipment | Other fixed assets | Total |
|--------------------------|-------------------------------|----------------------------|-------------------------------------------|----------------------|-----------------------|--------------------------|
| Historical cost | | | | | | |
| Opening balance | 208,626,019,879 | 156,236,299,089 | 2,201,499,090,573 | 8,397,148,314 | 1,141,157,347 | 2,575,899,715,202 |
| Increasing in the year | 2,533,834,280 | 7,250,240,529 | 23,624,132,599 | 64,057,240 | 483,965,755 | 33,956,230,403 |
| + Completed construction | 2,533,834,280 | 7,250,240,529 | 22,989,306,525 | - | 483,965,755 | 33,257,347,089 |
| + Purchase | - | - | 634,826,074 | 64,057,240 | - | 698,883,314 |
| Decreasing in the year | (1,159,333,883) | - | (27,062,013,307) | - | - | (28,221,347,190) |
| Closing balance | 210,000,520,276 | 163,486,539,618 | 2,198,061,209,865 | 8,461,205,554 | 1,625,123,102 | 2,581,634,598,415 |
| Depreciation | | | | | | |
| Opening balance | 164,405,100,956 | 101,833,274,577 | 1,301,481,349,558 | 6,771,767,824 | 618,000,559 | 1,575,109,493,474 |
| Increasing in the year | 5,779,419,943 | 12,499,976,154 | 96,809,237,709 | 497,863,056 | 94,933,938 | 115,681,430,800 |
| Decreasing in the year | - | (1,159,333,883) | (12,450,603,062) | - | - | (13,609,936,945) |
| Closing balance | 170,184,520,899 | 113,173,916,848 | 1,385,839,984,205 | 7,269,630,880 | 712,934,497 | 1,677,180,987,329 |
| Net book value | | | | | | |
| Opening balance | 44,220,918,923 | 54,403,024,512 | 900,017,741,015 | 1,625,380,490 | 523,156,788 | 1,000,790,221,728 |
| Closing balance | 39,815,999,377 | 50,312,622,770 | 812,221,225,660 | 1,191,574,674 | 912,188,605 | 904,453,611,086 |

Cost of fixed assets that have depreciated fully are still using as on December 31, 2025: VND 1,232,596,406,373.

No tangible fixed assets pending liquidation as on December 31, 2025.

Carrying amount of fixed assets mortgaged for loans as on December 31, 2025: VND 683,126,543,259 (refer to Note V.18).

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10. Intangible fixed assets

| | Accounting Software | Management Software | Total |
|------------------------------|------------------------|------------------------|-----------------------|
| Historical cost | | | |
| Opening balance | 54,000,000 | 11,684,575,951 | 11,738,575,951 |
| Increase during the year | - | 150,000,000 | 150,000,000 |
| Decrease during the year | - | - | - |
| Closing balance | 54,000,000 | 11,834,575,951 | 11,888,575,951 |
| | - | - | - |
| Depreciation | - | - | - |
| Opening balance | 54,000,000 | 9,591,409,283 | 9,645,409,283 |
| Depreciation during the year | - | 507,691,664 | 507,691,664 |
| Foreign exchange differences | - | - | - |
| Closing balance | 54,000,000 | 10,099,100,947 | 10,153,100,947 |
| | - | - | - |
| Net book value | - | - | - |
| Opening balance | - | 2,093,166,668 | 2,093,166,668 |
| Closing balance | - | 1,735,475,004 | 1,735,475,004 |

Cost of intangible fixed assets that have depreciated fully are still using as on December 31, 2025: VND 9,696,575,951.

No intangible fixed assets mortgaged for loans as on December 31, 2025.

11. Construction in progress

| | Dec 31, 2025 | Jan 01, 2025 |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| - Project on expansion Da Nang water supply system period 2012 - 2018 | - | 4,578,238,041 |
| - Southeast transmission pipeline in Da Nang city | 5,318,414,998 | - |
| - Water supply pipeline D400, D300 along Truong Sa road (section from Vo Qui Huan to Cocobay – bordering Quang Nam province) | 3,933,804,314 | - |
| - Construction of D225 HDPE, D200 PVC pipeline from DH2 road, Cau Giang to Hoang Van Thai | 3,276,275,031 | 2,641,643,164 |
| - Other projects | 41,994,819,400 | 26,021,781,964 |
| Total | 54,523,313,743 | 33,241,663,169 |

(*) The value of construction investment costs in progress that are being mortgaged for bank loans as of December 31, 2025 is 1,117,411,729 VND (see Note No. V.18).

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12. Short-term trade payables

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> |
|-----------------------------------------------------------|------------------------------|------------------------------|
| <i>Trade payables to related parties</i> | - | - |
| <i>Trade payables to other entities</i> | 48,730,394,604 | 42,469,751,122 |
| Da Nang City Urban Infrastructure Management Center | 9,258,901,260 | 14,568,808,506 |
| Construction Joint Stock Company No. 5 | 9,362,525,090 | 13,094,632,090 |
| Vietnam Urban Consulting & Investment Joint Stock Company | 12,033,669,222 | - |
| Others | 18,075,299,032 | 14,806,310,526 |
| Total | <u><u>48,730,394,604</u></u> | <u><u>42,469,751,122</u></u> |

As on December 31, 2025, there is no liability due but not yet paid.

13. Short-term prepayments from customers

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> |
|------------------------------------------------------------------------------|---------------------------|---------------------------|
| <i>Prepayments from customers being related parties</i> | - | - |
| <i>Prepayments from other customers</i> | 865,745,014 | 980,710,123 |
| Project Management Board of Construction Investment of Da Nang Traffic Works | 413,590,798 | 413,590,798 |
| Nam Viet A Construction Investment and Infrastructure Development | - | 258,860,783 |
| Others | 452,154,216 | 308,258,542 |
| Total | <u><u>865,745,014</u></u> | <u><u>980,710,123</u></u> |

14. Taxes and other receivables, payables to States budget

| | Jan 01, 2025 | | Payable during the fiscal year | Paid amounts during the fiscal year | Dec 31, 2025 | |
|------------------------|-----------------------|----------------------|--------------------------------|-------------------------------------|----------------------|-----------------------|
| | Receivables | Payables | | | Receivables | Payables |
| Value added tax | 17,618,681,411 | - | 23,927,152,457 | 9,090,798,496 | 3,394,706,625 | 612,379,175 |
| Corporate income tax | 8,421,022,603 | - | 27,439,322,293 | 14,893,846,402 | 10,582,859 | 4,135,036,147 |
| Personal income tax | 2,077,640,549 | - | 2,062,243,216 | 2,426,770,425 | 2,442,167,758 | - |
| Natural resource tax | - | 372,992,250 | 4,316,983,500 | 4,283,562,550 | - | 406,413,200 |
| Land tax and land rent | - | - | 1,677,919,429 | 2,762,580,221 | 1,084,660,792 | - |
| Fees and charges | - | 6,769,131,699 | 97,289,652,806 | 96,702,551,391 | - | 7,356,233,114 |
| Total | 28,117,344,563 | 7,142,123,949 | 156,726,273,701 | 130,173,109,485 | 6,932,118,034 | 12,510,061,636 |

The Group's tax reports will be subject to examination by the Tax Authority, the amount of tax presented on these financial statements may change as determined by the Tax Authority.

Value added tax: The Group has paid value added tax (VAT) in accordance with deduction method. The tax rate applies for all activities in accordance with relevant regulations.

Corporate income tax

The Group products clean water and business in the field of socialization because it satisfies the requirements on the list of types, scale criteria, and standards of establishments implementing socialization in the field of environment according to the regulations. prescribed at Point 10, Section VI, List promulgated together with Decision No. 693/QD-TTg dated May 6, 2013 of the Prime Minister amending and supplementing Section V, List of types and regulatory criteria scale and standards of establishments implementing socialization in the field of environment promulgated together with the Prime Minister's Decision No. 1466/QD-TTg dated October 10, 2008 and consistent with the planning in Decision No. No. 9018/QD-UBND dated December 28, 2016 of the People's Committee of Da Nang City.

According to the provisions of Clause 3, Article 11 of Circular No. 96/2015/TT-BTC dated June 22, 2015 of the Ministry of Finance, stipulating "3. The preferential tax rate of 10% throughout the operation period applies to: a) The enterprise's income from socialization activities in the fields of education - training, vocational training, health, culture, sports and environment, judicial expertise (hereinafter collectively referred to as the field of socialization). Accordingly, the Group applies the CIT rate of 10% for production and business activities of clean water for daily life.

The Group must pay corporate income tax for other taxable income at the tax rate of 20%.

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

| | Current year | Previous year |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Total accounting profits before corporate income tax | 261,538,622,840 | 144,042,496,403 |
| Adjustment to taxable income | | |
| | 3,610,834,933 | 6,113,965,315 |
| Increasing adjustment | 3,610,834,933 | 6,128,608,762 |
| + Remuneration of non-executive Board of Directors | 370,700,000 | 292,500,000 |
| + Cost of handling backlog construction | - | 10,817,795 |
| + Set up a science and technology development fund | 2,000,000,000 | - |
| + Raw water cost difference paid to the state | - | 4,257,129,378 |
| + Other improper expenses | 1,240,134,933 | 1,559,730,948 |
| + Gains on exchange rate differences from year-end revaluation of prior-year cash and receivables | - | 8,430,641 |
| - Decreasing adjustment | - | (14,643,447) |
| + Gains on exchange rate differences from year-end revaluation of cash and receivables | - | (14,643,447) |
| Total taxable income | 265,149,457,773 | 150,156,461,718 |
| - Income from water industry | 252,444,074,153 | 142,486,195,252 |
| - Income from other activities | 12,705,383,620 | 3,413,137,088 |
| - Income from raw water cost difference paid to the state | - | 4,257,129,378 |
| Taxable temporary differences | (116,652,183) | 250,746,592 |
| Total tax calculation income | 265,149,457,773 | 150,407,208,310 |
| - Income from water industry | 252,444,074,153 | 142,486,195,252 |
| - Income from other activities | 12,588,731,437 | 3,663,883,680 |
| - Income from raw water cost difference paid to the state | - | 4,257,129,378 |
| Science and technology fund appropriation part | 2,000,000,000 | - |
| Total tax calculation income excludes the setup science and technology fund part | 263,149,457,773 | 150,407,208,310 |
| - Income from water industry | 250,444,074,153 | 142,486,195,252 |
| - Income from other activities | 12,588,731,437 | 3,663,883,680 |
| - Income from raw water cost difference paid to the state | - | 4,257,129,378 |
| Corporate income tax | 27,562,153,702 | 15,832,822,137 |
| - Income from water industry (10%) | 25,044,407,415 | 14,248,619,525 |
| - Income from other activities (20%) | 2,517,746,287 | 732,776,736 |
| - CIT corresponding to the raw water cost difference paid to the State (20%) | - | 851,425,876 |
| Current corporate income tax expenses | 27,562,153,702 | 15,832,822,137 |
| In which: | | |
| - Current corporate income tax expenses | 27,439,322,293 | 14,794,550,376 |
| - CIT paid on behalf of the state arises due to the difference in the cost of purchasing raw water paid to the state budget | - | 851,425,876 |
| - CIT for invalid documentation | - | 35,920,444 |
| - Deferred CIT corresponding to the provision/(reversal) of provision for investments losses in Subsidiaries | 62,868,727 | 150,925,441 |

Value-added tax

The Group pays value added tax according to the deduction method. Value-added tax rates for activities apply tax rates according to current regulations.

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Other taxes

The Group has declared and paid under regulations.

15. Payables to employees

| | Dec 31, 2025 | Jan 01, 2025 |
|--------------|-----------------------|-----------------------|
| Salary | 31,573,507,358 | 29,399,507,369 |
| Total | 31,573,507,358 | 29,399,507,369 |

16. Short-term accrued expenses

| | Dec 31, 2025 | Jan 01, 2025 |
|------------------------------------|----------------------|----------------------|
| Electricity costs | 1,531,336,275 | 1,398,000,039 |
| Interest payable | 262,251,935 | 322,312,102 |
| Fee for water fee collection | 288,369,636 | 259,611,000 |
| Costs of using electronic invoices | - | 110,492,980 |
| Other accrual expenses | 60,943,444 | 117,169,845 |
| Total | 2,142,901,290 | 2,207,585,966 |

17. Other payables

a. Short-term

| | Dec 31, 2025 | Jan 01, 2025 |
|-------------------------------------------------|-----------------------|------------------------|
| Other payables to related parties | 90,487,301,095 | 155,264,259,411 |
| Other payables to other entities | 3,192,870,241 | 2,899,251,682 |
| Saigon - Da Nang Investment Joint Stock Company | 1,221,614,989 | 1,221,614,989 |
| Short-term deposit received | 9,502,920 | - |
| Others | 1,961,752,332 | 1,677,636,693 |
| Total | 93,680,171,336 | 158,163,511,093 |

b. Long-term

| | Dec 31, 2025 | Jan 01, 2025 |
|-----------------------------------------|-----------------------|-----------------------|
| Payables to related parties | 64,392,446,164 | 80,490,446,164 |
| Other payables to other entities | 13,275,638,839 | 9,874,491,564 |
| Long-term deposit received | 13,275,638,839 | 9,874,491,564 |
| Total | 77,668,085,003 | 90,364,937,728 |

18. Borrowings and finance lease liabilities

18a. Short-term

| | Opening balance | Increase during the year | Paid during the year | Transferring from long-term loan | Closing balance |
|---------------------------------------------------------------|-----------------------|--------------------------|----------------------|----------------------------------|-----------------|
| Current portion of long-term borrowings | 60,483,921,067 | - | (60,483,921,067) | 60,444,104,136 | 60,444,104,136 |
| - Danang City Investment and Development Fund (i) | 22,724,800,000 | - | (22,724,800,000) | 22,724,800,000 | 22,724,800,000 |
| - JSC Bank for Investment and Development of Vietnam (ii) | 2,775,704,931 | - | (2,775,704,931) | 2,735,888,000 | 2,735,888,000 |
| - JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii) | 9,873,820,000 | - | (9,873,820,000) | 9,873,820,000 | 9,873,820,000 |
| - Shinhan Bank Vietnam Limited - Danang Branch (iv) | 25,109,596,136 | - | (25,109,596,136) | 25,109,596,136 | 25,109,596,136 |
| Total | 60,483,921,067 | - | (60,483,921,067) | 60,444,104,136 | 60,444,104,136 |

18b. Long-term

| | Opening balance | Increase during the year | Paid during the year | Reclassification to short-term | Closing balance |
|---------------------------------------------------------------|------------------------|--------------------------|----------------------|--------------------------------|-----------------|
| Long-term borrowings | 384,575,177,736 | 1,875,417,600 | - | (60,444,104,136) | 326,006,491,200 |
| - Danang City Investment and Development Fund (i) | 114,417,367,666 | 1,875,417,600 | - | (22,724,800,000) | 93,567,985,266 |
| - JSC Bank for Investment and Development of Vietnam (ii) | 9,432,988,605 | - | - | (2,735,888,000) | 6,697,100,605 |
| - JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii) | 65,990,375,924 | - | - | (9,873,820,000) | 56,116,555,924 |
| - Shinhan Bank Vietnam Limited - Danang Branch (iv) | 194,734,445,541 | - | - | (25,109,596,136) | 169,624,849,405 |
| Total | 384,575,177,736 | 1,875,417,600 | - | (60,444,104,136) | 326,006,491,200 |

(i) The loans from the Da Nang City Investment and Development Fund under the following credit contracts:

- Loan Agreement No. 09/2018/HĐTD dated 24/10/2018 for the execution of Project "increasing capacity of Red Bridge Water Factory by 120,000m³/day; Divergence 1: increasing capacity by 60,000m³/day". The credit limit is VND 120,000,000,000, and borrowing term is 12 years. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: Construction works and invested machinery and equipment and assets formed in the future of the project. (Refer to Note No. V.9, V.11)
- Loan Agreement No. 01/2019/HĐTD dated 14/01/2019 for the execution of Project "Hoa Trung Lake Water Factory with the capacity of 10,000m³/day". The credit limit is VND 50,000,000,000, and the borrowing term is 10 years. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: The invested system of water supply pipelines in the city and assets to be formed in the future of the project. (Refer to Note No. V.9, V.11)
- Loan Agreement No. 14/2020/HĐTD dated 19/08/2020 for the project "Increasing the capacity of Cau Do Water Plant from 230,000 m³/day to 290,000 m³/day". The credit limit is VND 71,000,000,000, and the borrowing term is 144 months. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: Assets formed in the future of the project. (Refer to Note No. V.9, V.11).
- Loan Agreement No. 01/2025/HĐTD dated 27/11/2025 for the project "Construction of D500, D400 and D300 pipelines and reinstatement of the existing D220–D63 pipeline along National Highway 14B". The credit limit is VND 45,000,000,000 with a loan term of 144 months. The interest rate is 5.6% per annum and is subject to adjustment in accordance with the lender's interest rate decisions issued from time to time. The interest rate applicable to overdue principal balances is 150% of the applicable lending interest rate. Loan security mode: Existing machinery and equipment and assets to be formed in the future under the project (refer to Note V.11)

(ii) The loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Da Nang Branch is as follows Loan Agreement No. 02/2020/257027/HĐTD dated 16/04/2020 for investing in the construction of the D500; D400 DI Water Supply Pipeline on Vo Nguyen Giap - Hoang Sa Street (section from Ho Xuan Huong Street to Nguyen Phan Vinh Street). The credit limit is VND 24,623,000,000, and borrowing term is 10 years. Interest rate is 9%/year for 18 months as from the first drawdown date. Post-adjustment interest rate is equal to the floating interest rate of 24-month savings deposit with interest paid at the end of the term + margin of 3.3%/year and is adjusted every 06 months on the first day of the first month of the period in which interest rate is adjusted. The interest rate for overdue principal is 150% of the undue interest rate. The loan is secured by the assets to be formed in the future. (Refer to Note No V.11).

(iii) The loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Da Nang Branch under the following loan contracts:

- Loan contract No. 63/2020/VCB-KHDN dated 03/08/2020 for investing in the project "Water supply pipeline D400 DI Vo Nguyen Giap - Truong Sa Street (section from Ho Xuan Huong Street to Vo Quy Huan Street). The credit limit is VND 38,112,000,000, and borrowing term is 120 months. Loan interest rate: For the first 2 years from the date of first disbursement: Loan interest rate = 12-month VND savings interest rate with paying interest later for individual customers + 1.8%/year; Interest rate for the remaining loan term: Loan interest rate = 12-month VND savings interest rate with paying interest later for individual customers + 2.8%/year, adjustment period of rate is once every 6 months on June 26 and December 26 every year, the

interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The loan is secured by the assets to be formed in the future. (Refer to Note No.V.11).

- Loan contract No. 93/2020/VCB-KHDN dated 22/10/2020 for investing the project "Investment in water supply pipeline D1200 DI, D1000 DI, D800 DI on Thang Long Road (section from Cau Do water plant to Tuyen Son bridge). The credit limit is VND 150,000,000,000, and borrowing term is 144 months from the date of first disbursement. Loan interest rate: For the first 2 years from the date of first disbursement: Loan interest rate = Base interest rate + 1,2%/year; for the next 2 years: Loan interest rate = Base interest rate + 1,8%/year; for the remaining loan term: Base interest rate + 2%/year, (in which, base interest rate = 12-month VND savings interest rate with paying interest later for individual customers), adjustment period of rate is once every 6 months on June 26 and December 26 every year, the interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The loan is secured by the assets to be formed in the future. (Refer to Note No. V.11).

(iv) Borrowing from ShinHan Vietnam Bank - Da Nang Branch under the following loan contracts:

- Loan contract No. SHBVN/DN/CR/HDTD-001 dated 11/12/2020 to implement the project "Water supply pipeline D1200 DI, D800 DI Hoa Lien (section from Hoa Lien water plant to road No. 2 Hoa Khanh Industrial Zone). The credit limit is VND 136,218,000,000, borrowing term is 12 years. Loan interest rate for the first 4 years will apply reference interest rate + margin of 0.8%/year, next 8 years will apply reference interest rate + margin of 0.9%/year, interest rate adjustment will be made adjusted every 3 months during the loan term, the interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The reference interest rate is the average interest rate of 12-month savings deposits applied to individual customers of four (04) banks, including: Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank for Industry and Trade of Vietnam and Joint Stock Commercial Bank for Investment and Development of Vietnam were announced. The loan is secured by the assets to be formed in the future. (Refer to Note No.V.11).
- Loan contract No. SHBVN/ĐN/CR/HĐTD-002 dated 13/12/2021 to implement the project "Increase the capacity of An Trach anti-salt pumping station from 210,000m3/day to 420,000m3/day ". The credit limit is VND 220,206,000,000, borrowing term is 12 years. Loan interest rate will apply reference interest rate + margin of 0.5%/year, interest rate adjustment will be made adjusted every 3 months during the loan term, the interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The reference interest rate is the average interest rate of 12-month savings deposits applied to individual customers of four (04) banks, including: Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank for Industry and Trade of Vietnam and Joint Stock Commercial Bank for Investment and Development of Vietnam were announced. The loan is secured by the assets to be formed in the future. (Refer to Note No.V.11).

19. Bonus and welfare fund

| | <u>Dec 31, 2025</u> | <u>Jan 01, 2025</u> | | |
|-----------------------------------------------------------------------|-----------------------------|------------------------------|--------------------------------|-----------------------------|
| Bonus and welfare fund | 5,142,255,271 | 6,800,215,100 | | |
| Reward fund for Management and Executive Board | 15,000,000 | 146,493,465 | | |
| Total | <u><u>5,157,255,271</u></u> | <u><u>6,946,708,565</u></u> | | |
| The situation of setting up and using reward and welfare funds | | | | |
| | <u>01/01/2025</u> | <u>Increase</u> | <u>Decrease</u> | <u>31/12/2025</u> |
| Bonus and welfare fund | 6,800,215,100 | 13,600,000,000 | (15,257,959,829) | 5,142,255,271 |
| Reward fund for Management and Executive Board | 146,493,465 | 575,100,000 | (706,593,465) | 15,000,000 |
| Total | <u><u>6,946,708,565</u></u> | <u><u>14,175,100,000</u></u> | <u><u>(15,964,553,294)</u></u> | <u><u>5,157,255,271</u></u> |

20. Owner's equity

20a. Statement of changes in owners' equity

| | <u>Contributed capital</u> | <u>Capital surplus</u> | <u>Development and investment funds</u> | <u>Undistributed profit after tax</u> | <u>Total</u> |
|-----------------------------------|-------------------------------|-----------------------------|-----------------------------------------|---------------------------------------|-------------------------------|
| Balance as at Jan 01, 2024 | 579,640,610,000 | 8,993,538,265 | 117,103,023,611 | 46,485,768,419 | 752,222,940,295 |
| Increase during the year | - | - | 10,995,117,081 | 129,097,020,586 | 140,092,137,667 |
| Decrease during the year | - | - | - | (123,938,062,177) | (123,938,062,177) |
| Balance as at Dec 31, 2024 | <u><u>579,640,610,000</u></u> | <u><u>8,993,538,265</u></u> | <u><u>128,098,140,692</u></u> | <u><u>51,644,726,828</u></u> | <u><u>768,377,015,785</u></u> |
| Balance as at Jan 01, 2025 | 579,640,610,000 | 8,993,538,265 | 128,098,140,692 | 51,644,726,828 | 768,377,015,785 |
| Increase during the year | - | - | 5,030,081,962 | 234,036,431,820 | 239,066,513,782 |
| Decrease during the year | - | - | - | (111,947,679,563) | (111,947,679,563) |
| Balance as at Dec 31, 2025 | <u><u>579,640,610,000</u></u> | <u><u>8,993,538,265</u></u> | <u><u>133,128,222,654</u></u> | <u><u>173,733,479,085</u></u> | <u><u>895,495,850,004</u></u> |

These notes are an integral part and should be read in conjunction with the consolidated financial statements for the fiscal year ended as of December 31, 2025

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20b. Details of investment capital

| | Dec 31, 2025 | | Jan 01, 2025 | |
|------------------------------------|--------------|------------------------|--------------|------------------------|
| | Rate (%) | VND | Rate (%) | VND |
| People's Committee of Danang City | 60.08 | 348,242,170,000 | 60.08 | 348,242,170,000 |
| Danang - Mien Trung Investment JSC | 35.00 | 202,867,440,000 | 35.00 | 202,867,440,000 |
| Other shareholders | 4.92 | 28,531,000,000 | 4.92 | 28,531,000,000 |
| Total | 100 | 579,640,610,000 | 100 | 579,640,610,000 |

20c. Undistributed profit after tax

| | Current year | Previous year |
|----------------------------------------------------------|------------------------|-----------------------|
| Profits brought forward | 51,644,726,828 | 46,485,768,419 |
| Profits after corporate income tax of current period | 234,036,431,820 | 129,097,020,586 |
| Profit distribution | 111,947,679,563 | 123,938,062,177 |
| Previous year's profit distribution | 59,780,024,663 | 83,363,219,477 |
| - Set up bonus and welfare fund | 13,600,000,000 | 13,818,067,533 |
| - Set up fund of Executive Management Board | 575,100,000 | 585,973,863 |
| - Divide the dividend by cash | 40,574,842,700 | 57,964,061,000 |
| - Set up development and investment funds | 5,030,081,962 | 10,995,117,081 |
| Current year's profit distribution (Divide the dividend) | 52,167,654,900 | 40,574,842,700 |
| Total | 173,733,479,085 | 51,644,726,828 |

20d. Capital transactions with owners and dividend, profit distribution

| | Current year | Previous year |
|---------------------------------------|-----------------------|-----------------------|
| - Contributed capital | | |
| + Opening balance | 579,640,610,000 | 579,640,610,000 |
| + Increase | - | - |
| + Decrease | - | - |
| + Closing balance | 579,640,610,000 | 579,640,610,000 |
| - Distributed profit, dividend | 92,742,497,600 | 98,538,903,700 |

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20e. Shares

| | Dec 31, 2025 | Jan 01, 2025 |
|---------------------------------------------|---------------------|---------------------|
| Number of shares registered for issuance | 57,964,061 | 57,964,061 |
| Number of shares issued to the public | 57,964,061 | 57,964,061 |
| - Ordinary shares | 57,964,061 | 57,964,061 |
| - Preference shares | - | - |
| Number of treasury shares | - | - |
| - Ordinary shares | - | - |
| - Preference shares | - | - |
| Number of outstanding shares in circulation | 57,964,061 | 57,964,061 |
| - Ordinary shares | 57,964,061 | 57,964,061 |
| - Preference shares | - | - |
| Face value of outstanding shares | 10,000 | 10,000 |

21. Funding sources formed fixed assets

| | Dec 31, 2025 | Jan 01, 2025 |
|---------------------------------------------|---------------------|---------------------|
| Opening balance | 578,623,209 | 818,053,503 |
| Depreciation for the year | (239,430,293) | (239,430,294) |
| fixed asset acquisitions in year-end | 339,192,916 | 578,623,209 |

22. Off-balance sheet accounts – Doubtful debts handled

| | Dec 31, 2025 | Jan 01, 2025 |
|------------------------|---------------------|---------------------|
| Doubtful debts handled | 616,548,230 | 444,333,718 |

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED INCOME STATEMENTS (Unit: VND)

1. Revenues

| | Current year | Previous year |
|-------------------------------|------------------------|------------------------|
| Revenue from water industry | 769,255,381,249 | 640,504,754,381 |
| Revenue from other activities | 4,997,677,415 | 4,182,468,434 |
| Total | 774,253,058,664 | 644,687,222,815 |

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Notes to the consolidated financial statements (Cont'd)

2. Costs of goods sold

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------------------------|-------------------------------|-------------------------------|
| Cost of goods sold from water industry | 430,053,805,739 | 411,559,074,585 |
| Cost of goods sold from other activities | 4,012,394,342 | 3,946,032,264 |
| Total | <u>434,066,200,081</u> | <u>415,505,106,849</u> |

3. Financial income

| | <u>Current year</u> | <u>Previous year</u> |
|--------------------------------------------------|------------------------------|------------------------------|
| Deposits, loans interest | 25,616,357,786 | 24,888,943,302 |
| Gains on exchange rate differences from payments | 2,610,694 | 65,306 |
| Foreign exchange gain | - | 14,643,447 |
| Total | <u>25,618,968,480</u> | <u>24,903,652,055</u> |

4. Financial expenses

| | <u>Current year</u> | <u>Previous year</u> |
|-------------------|------------------------------|------------------------------|
| Interest expenses | 23,740,670,120 | 28,798,461,146 |
| Total | <u>23,740,670,120</u> | <u>28,798,461,146</u> |

5. Selling expenses

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------------|------------------------------|------------------------------|
| Cost of raw materials | 7,440,710,954 | 6,184,486,154 |
| Employees cost | 27,983,026,128 | 27,014,569,793 |
| Fixed asset depreciation | 9,375,000 | 22,500,000 |
| Costs of outsourced services | 4,541,510,612 | 4,663,277,837 |
| Other explicit expenses | 5,118,695 | 215,853,028 |
| Total | <u>39,979,741,389</u> | <u>38,100,686,812</u> |

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6. General administration expenses

| | <u>Current year</u> | <u>Previous year</u> |
|--------------------------------------------------|------------------------------|------------------------------|
| Cost of raw materials | 73,371,594 | 1,012,316,378 |
| Employees cost | 29,719,526,046 | 25,260,777,260 |
| Fixed asset depreciation | 3,034,753,501 | 2,822,561,560 |
| Set up a science and technology development fund | 2,000,000,000 | - |
| Allowances for doubtful debts | 52,166,037 | 84,200,623 |
| Costs of outsourced services | 1,525,180,375 | 2,853,551,104 |
| Other explicit expenses | 13,275,292,792 | 15,783,672,481 |
| Total | <u>49,680,290,345</u> | <u>47,817,079,406</u> |

7. Other income

| | <u>Current year</u> | <u>Previous year</u> |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Commissioning of fixed assets formed from the Science and Technology Fund | - | 1,892,000,000 |
| Remaining drainage service charges for collection | 3,299,499,081 | 3,162,749,243 |
| Bad debts have been handled and now are recovered | 17,740,704 | 12,875,528 |
| Liquidation of used Larsen piles | 6,370,352,932 | - |
| Collecting penalties for breach of contract. | 9,728,717 | - |
| Other income | 88,896,833 | 70,677,755 |
| Total | <u>9,786,218,267</u> | <u>5,138,302,526</u> |

8. Other expenses

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------------------------------------------------------|---------------------------|---------------------------|
| Depreciation of fixed assets during temporary suspension of operations | 430,995,816 | 430,995,816 |
| Liquidation of used Larsen piles | 113,089,332 | 19,754,233 |
| Handling backlog construction | - | 10,817,795 |
| Penalties for administrative violations | - | 3,778,872 |
| Other expenses | 108,635,488 | 64 |
| Total | <u>652,720,636</u> | <u>465,346,780</u> |

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Notes to the consolidated financial statements (Cont'd)

9. Basic earnings per share

| | <u>Current year</u> | <u>Previous year</u> |
|-----------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| - Profit after corporate income tax | 234,036,431,820 | 129,097,020,586 |
| - Increasing/Decreasing adjustment to accounting profit to determine profit allocated to ordinary shareholders: | (25,697,648,248) | (14,175,100,001) |
| + Set up bonus and welfare fund | (25,697,648,248) | (14,175,100,001) |
| - Profit or loss attributable to shareholders owning ordinary shares | 208,338,783,572 | 114,921,920,585 |
| - Weighted average number of ordinary shares (shares) | 57,964,061 | 57,964,061 |
| Basic earnings per share (VND/share) (*) | <u><u>3,594</u></u> | <u><u>1,983</u></u> |

(*) A retrospective adjustment was made to after-tax accounting profit (see Note VIII.3) and the appropriation to the reward and welfare fund from the after-tax profit of 2024 in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-ĐHĐCĐ dated 18 April 2025. Accordingly, "Basic earnings per share" for the year ended 31 December 2024 amounted to VND 1,983 per share, instead of VND 1,547 per share as previously presented in the consolidated financial statements for the year ended 31 December 2024.

(*) Basic earnings per share for 2025 is calculated based on profit after tax after deduction of the appropriation to the reward and welfare fund. The appropriation to the reward and welfare fund for the current year has been provisionally determined based on a rate consistent with that applied in the prior year. The final amount may be subject to change, if any, depending on the official resolution of the Annual General Meeting of Shareholders to be held in 2026.

Weighted average number of ordinary shares is calculated as follow:

| | <u>Current year Shares</u> | <u>Previous year Shares</u> |
|------------------------------------------------------------|--------------------------------|---------------------------------|
| Oustanding ordinary shares at the begin of the year | 57,964,061 | 57,964,061 |
| Affect of re-acquired ordinary shares | - | - |
| Affect of issued ordinary shares | - | - |
| Weighted average number of ordinary shares (shares) | <u><u>57,964,061</u></u> | <u><u>57,964,061</u></u> |

10. Diluted earnings per shares

| | <u>Current year</u> | <u>Previous year</u> |
|----------------------------------------------------------------------------------------------------|---------------------|----------------------|
| - Net profit attributable to the Company's shareholders used to calculate basis earnings per share | 208,338,783,572 | 114,921,920,585 |
| Increasing/Decreasing adjustment to profit: | - | - |
| - Profit to calculate diluted earnings per share | 208,338,783,572 | 114,921,920,585 |
| The number of ordinary shares used to calculate diluted earnings per share | 57,964,061 | 57,964,061 |
| Diluted earnings per share (VND/share) (*) | <u><u>3,594</u></u> | <u><u>1,983</u></u> |

(*) Refer to Note No.VI.10.

11. Operating expenses according to elements

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------------|-------------------------------|-------------------------------|
| Cost of raw materials | 31,331,239,201 | 65,860,013,359 |
| Employees cost | 119,607,649,103 | 122,015,634,160 |
| Fixed asset depreciation | 115,442,000,507 | 114,802,981,917 |
| Costs of outsourced services | 138,129,731,576 | 105,495,345,820 |
| Other explicit expenses | 13,285,789,526 | 26,954,508,447 |
| Total | <u>417,796,409,913</u> | <u>435,128,483,703</u> |

VII. ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED CASH FLOW (Unit: VND)

1. Proceeds from borrowing

| | <u>Current year</u> | <u>Previous year</u> |
|------------------------------------------------|-----------------------------|----------------------|
| Proceeds from borrowing under normal contracts | 1,875,417,600 | - |
| Total | <u>1,875,417,600</u> | <u>-</u> |

2. Repayments for borrowing

| | <u>Current year</u> | <u>Previous year</u> |
|-----------------------------------------------|------------------------------|------------------------------|
| Repayment of principal under normal contracts | 60,483,921,067 | 61,944,423,952 |
| Total | <u>60,483,921,067</u> | <u>61,944,423,952</u> |

VIII. OTHER INFORMATION (Unit: VND)

1. Information about related parties

1.a Related parties

| <u>Name</u> | <u>Relationship</u> |
|----------------------------------------------------|---------------------|
| People's Committee of Danang City | Investor |
| Danang - Mien Trung Investment Joint Stock Company | Investor |

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1.b Transactions with related parties

| Related parties | Current year | Previous year |
|-------------------------------------------------------------------------------------------------|---------------------|----------------------|
| People's Committee of Danang City | - | - |
| - Raw water costs difference | - | 4,257,129,378 |
| - Dividend distribution | 55,718,747,200 | 59,201,168,900 |
| - Cost of clean water infrastructure usage | 11,276,945,529 | 14,693,486,666 |
| - Repayment to the budget for capital per Decision No. 8449/QĐ-UBND dated November 11, 2015 (*) | 16,098,000,000 | 16,098,000,000 |
| Danang - Mien Trung Investment Joint Stock Company | - | - |
| - Dividend distribution | 32,458,790,400 | 34,487,464,800 |

1.c Balances with related parties

| Related parties | Dec 31, 2025 | Jan 01, 2025 |
|-----------------------------------------------------|---------------------|---------------------|
| People's Committee of Danang City | | |
| - Property handed over from the budget | 63,112,355,566 | 80,092,123,622 |
| - Raw water cost difference | - | 3,405,703,502 |
| - Capital payable for Budget (*) | 80,490,446,164 | 96,588,446,164 |
| - Payable for the use of clean water infrastructure | 11,276,945,529 | 55,668,432,287 |

(*) Da Nang Water Supply Joint Stock Group must return to the state budget a part of the capital invested in the assets of Da Nang Water Supply Company Limited, according to decision No. 8449/QĐ-UBND dated November 11 /2015 of the People's Committee of Da Nang City. The total amount to be paid is 241,470,446,164 VND, and the Company will make the payment in installments within 15 years, until December 2030. Every year, the Group will make payments in 4 installments, with each payment installment being 4,024,500,000 VND.

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1.d Salary, remuneration and other benefits of the Executive Board

| No | Board of Management | Position | From Jan 1, 2025 to Dec 31, 2025 | | |
|--------------|---------------------|-----------------------------------------------|----------------------------------|--------------------|----------------------|
| | | | Salary | Remuneration | Total |
| 1 | Ho Huong | Chairman of BOD | 967,680,000 | - | 967,680,000 |
| 2 | Dang Thanh Binh | Member of the BOD | - | 120,000,000 | 120,000,000 |
| 3 | Ho Minh Nam | Member of the BOD - General Manager | 909,619,200 | - | 909,619,200 |
| 4 | Phan Thinh | Member of the BOD - Vice General Manager | 837,941,207 | - | 837,941,207 |
| 5 | Le Duc Quy | Former Board Member - Vice General Manager | 285,014,016 | - | 285,014,016 |
| 6 | Nguyen Truong Anh | Member of the BOS | - | 120,000,000 | 120,000,000 |
| 7 | Nguyen Thi Thu Ha | Head of Supervisory Board | 806,400,000 | - | 806,400,000 |
| 8 | Pham Thi Que Chi | Member of the BOS | - | 84,000,000 | 84,000,000 |
| 9 | Thai Quoc Khanh | Member of the BOS | - | 24,500,000 | 24,500,000 |
| 10 | Tan Thi Mien Thao | Member of the BOS | - | 59,500,000 | 59,500,000 |
| 11 | Tran Phuoc Thuong | Vice General Manager | 803,739,525 | - | 803,739,525 |
| 12 | Pham Hong Minh | Chief Accountant | 535,826,350 | - | 535,826,350 |
| Total | | | 5,146,220,298 | 408,000,000 | 5,554,220,298 |

| No | Board of Management | Position | From Jan 1, 2024 to Dec 31, 2024 | | |
|--------------|---------------------|---------------------------------------------|----------------------------------|--------------------|----------------------|
| | | | Salary | Remuneration | Total |
| 1 | Ho Huong | Chairman of BOD | 777,600,000 | - | 777,600,000 |
| 2 | Dang Thanh Binh | Member of the BOD | - | 100,800,000 | 100,800,000 |
| 3 | Ho Minh Nam | Member of the BOD - General Manager | 734,400,000 | - | 734,400,000 |
| 4 | Le Duc Quy | Member of the BOD - Vice General Manager | 691,200,000 | - | 691,200,000 |
| 5 | Nguyen Truong Anh | Member of the BOD | - | 100,800,000 | 100,800,000 |
| 6 | Nguyen Thi Thu Ha | Head of Supervisory Board | 648,000,000 | - | 648,000,000 |
| 7 | Pham Thi Que Chi | Member of the BOS | 453,600,000 | - | 453,600,000 |
| 8 | Thai Quoc Khanh | Member of the BOS | - | 79,200,000 | 79,200,000 |
| 9 | Tran Phuoc Thuong | Vice General Manager | 648,000,000 | - | 648,000,000 |
| 10 | Phan Thinh | Chief Accountant | 648,000,000 | - | 648,000,000 |
| Total | | | 4,600,800,000 | 280.800.000 | 4.881.600.000 |

1.e Other benefits of the Executive Board

| | Current year | Previous year |
|---------------------------|--------------------|--------------------|
| Bonus of Management Board | 558,300,000 | 496,636,223 |
| Dividend | 59,360,000 | 113,320,000 |
| Total | 617,660,000 | 609,956,223 |

2. Segment information

According to the provisions of Accounting Standard No. 28 issued together with Decision 12/2005/QD-BTC dated February 15, 2005, of the Ministry of Finance and guided by Circular 20/2006/TT-BTC March 20, 2006, the Company needs to compile a Segment Report. The Group needs to prepare a Segment Report. As a result, a segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment) or providing products or services in a specific economic environment (geographical segment) and that is subject to risks and returns that are different from those of other segments. The Group's Board of General Manager assesses that the Group operates in a main business segment is water business and in the geographical segment of Da Nang City, Vietnam

3. Corresponding figures

Corresponding figures taken from the consolidated financial statements for the fiscal year end as of December 31, 2024 which were audited by Vietvalues.

As described in this note, pursuant to Official Letter No. 3415/UBND-STC dated 25 June 2024 issued by Da Nang City People's Committee on the adjustment of expenses relating to the use of water supply infrastructure assets funded by the State budget and handed over by the investing entities to the State for management, which have been assigned to the Company for operation from June 2015 to 31 December 2023, with a total amount of VND 66,057,265,726 (recognized in 2023 and 2024), the Company recorded an amount of VND 33,028,632,863 in cost of sales during 2024. Accordingly, the Company has retrospectively adjusted the comparative figures in accordance with the prevailing Vietnamese Accounting Standards and the Vietnamese Accounting System on the recognition of expenses in the appropriate accounting periods:

Balance Sheet items

| No | Items | Code | as of 31/12/2024, before adjustments | as of 01/01/2025, after adjustments | Variance |
|----|-------------------------------------------------------|------|-----------------------------------------|----------------------------------------|------------------|
| 1 | Taxes and other receivables from State budget | 153 | 9,597,227,887 | 10,501,149,869 | 903,921,982 |
| 2 | Other short-term payables | 319 | 149,124,291,276 | 158,163,511,093 | 9,039,219,817 |
| 3 | Undistributed profit after tax | 421 | 59,780,024,663 | 51,644,726,828 | (8,135,297,835) |
| 4 | - Undistributed profit after tax brought forward | 421a | - | (36,877,451,058) | (36,877,451,058) |
| 5 | - Undistributed profit after tax for the current year | 421b | 59,780,024,663 | 88,522,177,886 | 28,742,153,223 |

Income Statement items

| No | Items | Code | The year 2024 before adjustments | The year 2024 after adjustments | Variance |
|----|-----------------------------------------------|------|-------------------------------------|------------------------------------|------------------|
| 1 | Costs of goods sold | 11 | 447,440,832,653 | 415,505,106,849 | (31,935,725,804) |
| 2 | Gross revenues from sales & services rendered | 20 | 197,246,390,162 | 229,182,115,966 | 31,935,725,804 |
| 3 | Net profits from operating activities | 30 | 107,433,814,853 | 139,369,540,657 | 31,935,725,804 |
| 4 | Total net profit before tax | 50 | 112,106,770,599 | 144,042,496,403 | 31,935,725,804 |
| 5 | Current corporate income tax expenses | 51 | 11,600,977,796 | 14,794,550,376 | 3,193,572,580 |
| 6 | Profits after corporate income tax | 60 | 100,354,867,362 | 129,097,020,586 | 28,742,153,224 |
| 7 | Basic earnings per share | 70 | 1,547 | 1,983 | 435 |
| 8 | Diluted earnings per share | 71 | 1,547 | 1,983 | 435 |

Statement of Cash Flow items

| No | Items | Code | The year 2024 before adjustments | The year 2024 after adjustments | Variance |
|----|------------------------------------------------------------------------------------------------------------|------|-------------------------------------|------------------------------------|------------------|
| 1 | Profit before tax | 01 | 112,106,770,599 | 144,042,496,403 | 31,935,725,804 |
| 2 | Operating profit before adjustments to working capital | 08 | 230,908,581,769 | 262,844,307,573 | 31,935,725,804 |
| 3 | - Increase, decrease in accounts payables (exclusive of interest payables, enterprise income tax payables) | 11 | (44,278,361,777) | (76,214,087,581) | (31,935,725,804) |

4. Collateral

The Group has pledged tangible fix assets and its construction in progress to assure the loans at the Bank (Refer to Note V.18). Carrying amount of fixed assets used as collateral, mortgage for loans as on December 31, 2025 is VND 683,126.543,259 and the value of construction in progress that have been mortgaged to secure the bank loans as on December 31, 2025 is VND 1,117,411,729.

5. Information on going concern

There are no factors that raise doubts about the Group's ability to continue as a going concern, nor about the measures and commitments ensuring its continued operations in the foreseeable future.

6. Subsequent events

There have been no significant events occurring after the end of fiscal year which would require adjustments or disclosures to be presented in the consolidated financial statements.

Da Nang, March 11, 2026

Preparer



NGUYEN THI THANH THUY

Chief Accountant



PHAM HONG MINH

General Manager



HO MINH NAM

