

No.: 10/TB-HĐQT

Khanh Hoa, February 24th, 2025

**PERIODIC INFORMATION DISCLOSURE
OF FINANCIAL STATEMENTS**

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange

Pursuant to Clauses 3 and 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, providing guidance on information disclosure in the securities market, Khanh Hoa Water Supply and Sewerage Joint Stock Company hereby discloses information regarding the financial statements (FS) for 2024 to the Hanoi Stock Exchange as follows:

1. Organization details:

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

2. Details of Information Disclosure:

- Financial Statements for 2024
 - Separate financial statements (for listed companies without subsidiaries or accounting units under a superior accounting entity);
 - Consolidated financial statements (for listed companies with subsidiaries);
 - Combined financial statements (for listed companies with dependent accounting units under a separate accounting structure).

- Cases requiring explanation:

+ The auditing organization issues an opinion other than an unqualified opinion for the FS (for reviewed/audited FS):

Yes

No

Explanatory note required if applicable:

Yes

No

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



Yes

No

Explanatory note required if applicable:

Yes

No

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

Yes

No

Explanatory note required if applicable:

Yes

No

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

Yes

No

Explanatory note required if applicable:

Yes

No

^{24th} This information has been published on the company's website on February 24th, 2025 at the following link: <http://ctnkh.com.vn/qhcd.aspx>

Attached documents:

- Financial Statements for 2024
- Explanatory documents

Representative of the organization

Legal Representative



Nguyễn Văn Đàm



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CÔNG TY TNHH KIỂM TOÁN – THẨM ĐỊNH GIÁ VÀ TƯ VẤN ECOVIS AFA VIỆT NAM
ECOVIS AFA VIETNAM AUDITING – APPRAISAL AND CONSULTING CO., LTD

142 Xo Viet Nghe Tinh St., Hoa Cuong Nam Ward, Hai Chau Dist., Danang City, Vietnam
Tel: +84 236 363 3333 | Fax: +84 236 363 3338 | Email: info@ecovis.com.vn

**KHANH HOA WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**
AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

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

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No : 128 /CTN-KT

Khanh Hoa, 22 February, 2025

Re: Explaining the difference between
the Net profit after tax of 2024 and that
of 2023.

To :

State Securities Commission of Vietnam
Hanoi Stock Exchange (HNX)

- Pursuant to Circular No 96/2020/TT-BTC dated on 16 November, 2020 of the Ministry of Finance on Providing guidelines on disclosure of information on securities market;

- Pursuant to Khanh Hoa Water supply and sewerage Joint Stock Company's Financial Statement (audited) for 2023 and the Financial Statement (audited) for 2024;

1. Company's name: Khanh Hoa Water supply and sewerage Joint Stock Company (KHAWASSCO)
2. Domestic securities symbols: KHW
3. Headquarter's address: 58 Yersin Str. – Phuong Sai Ward – Nha Trang City – Khanh Hoa Province
4. Tel. number: 0258-3822315; Fax: 0258-3810740
5. Information to be disclosed:

Explaining the reason for the After-tax Net profit shown in the Audited Financial Statement of 2024 increased more than 10% comparing to that of 2023:

No.	Description	2024	2023	Difference	%
1	Net revenue from sale of goods and rendering of services	436.046.153.569	385.966.698.467	50.079.455.102	112,98%
2	Net profit before tax	97.982.775.572	68.683.708.374	29.299.067.198	142,66%
3	Current corporate income tax	10.739.973.260	7.218.006.883	3.521.966.377	148,79%
4	Net profit after tax	87.242.802.312	61.465.701.491	25.777.100.821	141,94%

Reasons:

Based on the 2024 business performance results compared to 2023. the company's pre-tax profit increased by 29.299.067.198VND (equivalent to a 42,66% increase), and the post-tax profit increased by 25.777.100.821VND (equivalent to a 41,94% increase). This growth is attributed to the following factors:

- Adjustment of Water Prices: During the Covid-19 pandemic, most business households ceased operations and requested our company to adjust water prices from commercial rates to domestic rates. However, since early 2024, as business activities gradually stabilized, the company strengthened on-site inspections to verify proper water usage, thus, ensuring business households were reverted to commercial rates. Additionally, the significant increase in tourist arrivals to Nha Trang in 2024 contributed to higher water consumption, further boosting revenue. Specifically, water revenue alone increased by 56.471.657.183VND (equivalent to a 15,6% increase) compared to 2023.

- Cost Efficiency: Some of the company's fixed assets had fully depreciated but remained in use for business operations. Furthermore, input costs were reduced through competitive bidding for production materials, resulting in only a slight increase in cost of goods sold by 21.124.716.720VND (equivalent to a 6,9% increase).

- Reduction in Management Expenses: In 2024, based on the company's production situation, the company did not allocate funds to the Science and Technology Development Fund. As a result, management expenses decreased by 2.027.388.432VND (equivalent to a 15,01% reduction).

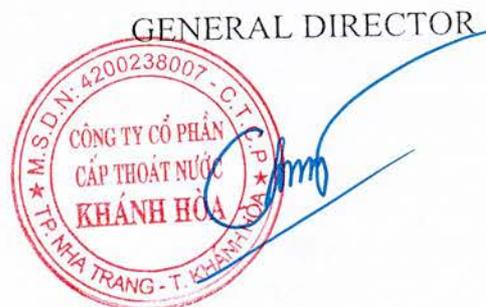
In summary, the company's net revenue (primarily from water production) increased significantly, while the cost of goods sold remained relatively stable (due to cost-saving measures and reduced depreciation expenses). Consequently, the company's post-tax profit in 2024 increased by 25.777.100.821VND (equivalent to a 41,94% increase) compared to 2023.

We hereby certify that the above explanations are entirely accurate and assume legal responsibility for the disclosure of this information.

Sincerely,

Record keeping:

- As stated above;
- Admin office, Accounting Dept.



Nguyễn Văn Đàm

**KHANH HOA WATER SUPPLY AND SEWERAGE
JOINT STOCK COMPANY**
AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2024



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KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

MANAGEMENT'S REPORT

Khanh Hoa Water Supply and Sewerage Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the accompanying audited financial statements of the Company for the financial year ended 31 December 2024.

Members of the Board of Directors, the Supervisory Committee and Management during the year and on the date of this report include:

Board of Directors

<u>Full name</u>	<u>Position</u>
Mr. Vu Van Binh	Chairman
Mr. Nguyen Van Dam	Member
Mr. Truong Khac Hoanh	Member
Mr. Nguyen Van Quan	Member
Mr. Nguyen Anh Tuan	Member

Supervisory Committee

<u>Full name</u>	<u>Position</u>
Mr. Hoang Long	Head
Ms. Nguyen Thi Thuy Ninh	Member
Mr. Quach Vinh Binh	Member

Management and Chief Accountant

<u>Full name</u>	<u>Position</u>
Mr. Nguyen Van Dam	General Director
Mr. Vu Van Binh	Deputy General Director
Mr. Nguyen Hong Son	Deputy General Director
Ms. Vo Thi Khanh Hoa	Deputy General Director
Mr. Nguyen Van Quan	Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Van Dam, General Director.

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

MANAGEMENT'S REPORT (CONTINUED)

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements. The management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that the Company has complied with the above requirements in preparing these financial statements.

AUDITOR

The accompanying financial statements were audited by ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited (Head office: No. 142 Xo Viet Nghe Tinh Street, Hoa Cuong Nam Ward, Hai Chau District, Danang City, Vietnam; Telephone: (84) 0236.363.3333; Fax: (84) 0236.363.3338; Website: www.ecovis.com/vietnam/audit).

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management



Nguyen Van Dam
General Director

Khanh Hoa Province, 21 February 2025

No.: 19/2025/BCKT-E.AFA

INDEPENDENT AUDITOR'S REPORT

To: Shareholders
Board of Directors and Management
KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Report on the financial statements

We have audited the accompanying financial statements of Khanh Hoa Water Supply and Sewerage Joint Stock Company (hereinafter referred to as "the Company") prepared on 21 February 2025 as set out from page 05 to page 43, which comprise the balance sheet as at 31 December 2024, and the income statement, and cash-flow statement for the financial year then ended, and the notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of financial statements and for such internal control as Board of management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting and relevant legislation as to the preparation and presentation of financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matter

The financial statements of Khanh Hoa Water Supply and Sewerage Joint Stock Company for the financial year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements in the Independent Auditor's Report No. 3.0033/24/TC-AC dated 19 February 2024.



Tran Thi Nhu Phuong
Audit Director
Audit Practice Registration Certificate
2293-2023-240-1

Authorized person

ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited
Danang City, 21 February 2025

Nguyen Thanh Lam
Auditor
Audit Practice Registration Certificate
4231-2023-240-1

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

Form B 01 – DN

(Issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance)

BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
A. CURRENT ASSETS	100		175,736,397,336	167,505,631,690
I. Cash and cash equivalents	110	4.1	6,619,633,610	5,911,948,981
1. Cash	111		3,524,661,910	2,885,770,881
2. Cash equivalents	112		3,094,971,700	3,026,178,100
II. Current financial investments	120		99,878,796,849	87,005,506,968
1. Trading securities	121		-	-
2. Held to maturity investments	123	4.2	99,878,796,849	87,005,506,968
III. Current account receivables	130		45,618,441,215	48,118,631,563
1. Trade receivables	131	4.3	43,162,649,568	45,594,954,539
2. Advances to suppliers	132	4.4	366,202,000	1,070,884,800
3. Other current receivables	136	4.5	2,243,189,647	1,606,392,224
4. Provision for doubtful debts	137	4.6	(153,600,000)	(153,600,000)
IV. Inventories	140	4.7	23,619,525,662	26,250,970,785
1. Inventories	141		23,619,525,662	26,250,970,785
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		-	218,573,393
1. Current prepayments	151	4.11	-	218,573,393
2. Other current assets	155		-	-
B. NON-CURRENT ASSETS	200		438,235,660,176	374,622,823,813
I. Non-current account receivables	210		-	-
II. Fixed assets	220		407,013,504,692	339,231,173,250
1. Tangible fixed assets	221	4.9	394,100,162,362	325,470,397,360
Cost	222		1,279,146,218,043	1,251,114,737,332
Accumulated depreciation	223		(885,046,055,681)	(925,644,339,972)
2. Intangible fixed assets	227	410	12,913,342,330	13,760,775,890
Cost	228		28,754,389,400	28,671,219,400
Accumulated amortisation	229		(15,841,047,070)	(14,910,443,510)
III. Investment property	230		-	-
IV. Non-current assets in progress	240		1,932,114,073	7,813,100,502
1. Non-current work in process	241		-	-
2. Construction in progress	242	4.8	1,932,114,073	7,813,100,502
V. Non-current financial investments	250	4.2	24,000,000,000	24,000,000,000
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252		24,000,000,000	24,000,000,000
VI. Other non-current assets	260		5,290,041,411	3,578,550,061
1. Non-current prepayments	261	4.11	5,290,041,411	3,578,550,061
2. Other non-current assets	268		-	-
TOTAL ASSETS	270		613,972,057,512	542,128,455,503

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

Form B 01 – DN

(Issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance)

BALANCE SHEET (CONTINUED)

As at 31 December 2024

Unit: VND

RESOURCES	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
C. LIABILITIES	300		217.156.670.772	189.525.076.027
I. Current liabilities	310		95.997.531.397	99.465.616.646
1. Trade payables	311	4.12	11.009.985.207	18.251.856.654
2. Advances from customers	312	4.13	1.836.810.000	2.279.091.081
3. Taxes and amounts payable to the state budget	313	4.14	12.950.593.284	9.648.768.130
4. Payables to employees	314	4.15	20.813.903.056	24.208.597.039
5. Accrued expenses	315	4.16	4.658.075.983	2.744.232.880
6. Other current payables	319	4.17	6.764.221.151	7.120.135.270
7. Current loans and obligations under finance leases	320	4.18	31.313.324.932	28.450.630.910
8. Bonus and welfare fund	322		6.650.617.784	6.762.304.682
II. Non-current liabilities	330		121.159.139.375	90.059.459.381
1. Other non-current payables	337	4.17	9.932.332.308	11.591.266.308
2. Non-current loans and obligations under finance	338	4.18	105.821.794.659	72.760.119.591
3. Scientific and technological development fund	343		5.405.012.408	5.708.073.482
D. OWNER'S EQUITY	400		396.815.386.740	352.603.379.476
I. Equity	410	4.19	396.815.386.740	352.603.379.476
1. Owner's contributed capital	411		285.999.960.000	285.999.960.000
Ordinary shares carrying voting rights	411a		285.999.960.000	285.999.960.000
Preference shares	411b		-	-
2. Share premiums	412		852.875.935	852.875.935
3. Investment and development fund	418		22.719.748.493	4.284.842.050
4. Retained earnings	421		87.242.802.312	61.465.701.491
Beginning accumulated retained earnings	421a		-	-
Retained earnings of the current year	421b		87.242.802.312	61.465.701.491
II. Other capital and funds	430		-	-
TOTAL RESOURCES	440		613.972.057.512	542.128.455.503



Nguyen Van Dam
General Director

Khanh Hoa Province, 21 February 2025

Nguyen Van Quan
Chief Accountant

Tran Thi thu Ha
Preparer

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

Form B 02 – DN

(Issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance)

INCOME STATEMENT

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
1. Revenue	01	5.1	436.069.641.186	385.984.406.828
2. Deductions	02	5.2	23.487.617	17.708.361
3. Net revenue	10		436.046.153.569	385.966.698.467
4. Cost of sales	11	5.3	327.336.368.266	306.211.651.546
5. Gross profit	20		108.709.785.303	79.755.046.921
6. Financial income	21	5.4	4.620.229.612	5.382.178.789
7. Financial expense	22	5.5	4.004.994.014	3.421.683.573
<i>Of which, interest expense</i>	23		4.004.994.014	3.421.683.573
8. Selling expense	24	5.6	450.000.000	600.000.000
9. General and administration expense	25	5.7	11.479.151.113	13.506.539.545
10. Operating profit/(loss)	30		97.395.869.788	67.609.002.592
11. Other income	31	5.8	5.817.410.349	5.354.804.807
12. Other expense	32	5.9	5.230.504.565	4.280.099.025
13. Net other income/(loss)	40		586.905.784	1.074.705.782
14. Accounting profit/(loss) before taxation	50		97.982.775.572	68.683.708.374
15. Current corporate income tax expense	51	5.11	10.739.973.260	7.218.006.883
16. Deferred corporate income tax expense	52		-	-
17. Net profit/(loss) after taxation	60		87.242.802.312	61.465.701.491
18. Basic earnings per share	70	4.19.5	3.050	1.883
19. Diluted earnings per share	71	4.19.6	3.050	1.883



Nguyen Van Dam
General Director

Khanh Hoa Province, 21 February 2025

Nguyen Van Quan
Chief Accountant

Tran Thi thu Ha
Preparer

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

Form B 03 – DN

(Issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance)

CASH FLOW STATEMENT

(Indirect method)

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxation	01		97.982.775.572	68.683.708.374
2. Adjustment for:				
Depreciation and amortisation	02		80.226.210.911	76.400.340.623
Gains/losses from investment	05		(4.776.138.703)	(5.382.178.789)
Interest expense	06		4.004.994.014	3.421.683.573
Other adjustments	07		-	4.250.000.000
3. Operating profit /(loss) before adjustments to working capital	08		177.437.841.794	147.373.553.781
Increase or decrease in accounts receivable	09		2.804.710.944	(6.969.596.772)
Increase or decrease in inventories	10		2.631.445.123	4.342.622.853
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		(8.910.795.129)	(11.508.842.307)
Increase or decrease prepaid expenses	12		(1.492.917.957)	(188.469.894)
Interest paid	14		(4.912.198.518)	(3.459.292.573)
Corporate income tax paid	15		(8.800.000.000)	(5.550.000.000)
Other cash inflows from operating activities	16		-	20.700.000
Other cash outflows from operating activities	17		(7.735.686.898)	(2.335.598.000)
Net cash from operating activities	20		151.022.399.359	121.725.077.088
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(142.430.616.998)	(70.016.350.914)
2. Proceeds from disposals of fixed assets and other long-term assets	22		155.909.091	-
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(90.598.733.969)	(100.498.740.223)
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		77.725.444.088	69.830.129.790
5. Interest and dividends received	27		4.315.709.016	5.862.422.221
Net cash from investing activities	30		(150.832.288.772)	(94.822.539.126)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	67.341.000.000	31.502.146.000
2. Repayment of borrowings	34	6.2	(31.416.630.910)	(29.314.484.932)
3. Dividends paid	36		(35.406.795.048)	(30.029.995.800)
Net cash from financing activities	40		517.574.042	(27.842.334.732)
NET INCREASE/(DECREASE) IN CASH	50		707.684.629	(939.796.770)
Cash and cash equivalents at beginning of year	60		5.911.948.981	6.851.745.751
Impact of exchange rate fluctuation	61		-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	70		6.619.633.610	5.911.948.981



Nguyen Van Dam
General Director

Khanh Hoa Province, 21 February 2025

Nguyen Van Quan
Chief Accountant

Tran Thi thu Ha
Preparer

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

Khanh Hoa Water Supply and Sewerage Joint Stock Company (hereinafter referred to as “the Company”), formerly Khanh Hoa Water Supply and Sewerage One Member Limited Liability Company, was established through the conversion of the state-owned enterprise Khanh Hoa Water Supply Company under Decision No. 1639/QĐ-UBND dated 24 June 2010, issued by the People's Committee of Khanh Hoa Province. The People's Committee of Khanh Hoa Province issued Decision No. 2171/QĐ-UBND dated 03 September 2013, and Decision No. 3057/QĐ-UBND dated 02 December 2013, approving the plan for conversion of Khanh Hoa Water Supply and Sewerage One Member Limited Liability Company into a joint stock company. The Company operates under Business Registration Certificate No. 4200238007 dated 23 September 2010, granted by the Department of Planning and Investment of Khanh Hoa Province and other amended certificates thereafter with the latest one dated 01 November 2022.

Currently, the Company's shares are registered for trading on the Unlisted Public Company Market (UPCOM) at the Hanoi Stock Exchange (HNX) under the ticker symbol KHW.

The charter capital as stipulated in the Business Registration Certificate is VND 285,999,960,000.

The Company's registered head office is at No. 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam.

The number of employees as at 31 December 2024 was 329 (31 December 2023: 330).

1.2. Business field

Manufacturing and services.

1.3. Operating industry and principal activities

Under the Business Registration Certificate, the Company's business activities comprise:

- Water collection, treatment, and supply. Details: Clean water collection, treatment and supply.
- Plumbing, heat and air-conditioning installation.
- Construction of water supply and drainage works.
- Water drainage and wastewater treatment.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a time period of 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.5. The Company's structure

As at 31 December 2024, the Company's associates were as follows:

<u>Name</u>	<u>Address</u>	<u>Voting Rights</u>	<u>Percent Capital</u>	<u>Percent Interest</u>
Associate:				
Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company	58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam	30%	30%	30%

As at 31 December 2024, the Company's dependent units were as follows:

<u>Unit name</u>	<u>Address</u>
Xuan Phong Water Plant	Phu Binh Hamlet, Vinh Thanh Commune, Nha Trang
Vo Canh Water Plant	Go Dinh, Vo Canh Hamlet, Vinh Trung Commune, Nha Trang
Khanh Son Water Plant	To Hap Town, Khanh Son District
Khanh Hoa Water Supply and Sewerage Construction Enterprise	1B Le Hong Phong, Phuoc Tan Ward, Nha Trang City, Khanh Hoa Province

1.6. Statement of Comparability of Information in Financial statements

The comparative figures are those of the audited financial statements for the year ended 31 December 2023.

2. BASIS OF PREPARATION

2.1. Accounting standards, accounting system

The accompanying financial statements, expressed in Vietnamese Dong (VND), are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

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

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company's financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets and liabilities reported in the notes as well as revenues and expenses in the financial statements for the financial year ended 31 December 2024. Although these estimates are based on management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

3.2. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, cash in transit and current investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.3. Financial Investments

Held to maturity investments

Held to maturity investments comprise held to maturity investments to earn periodical profits and other held to maturity investments.

If there is any certain evidence that part or all the investments are irrecoverable, impairment losses are recognised as a finance expense in the current year.

Equity investments in other entities

Investments in associates

Investments are classified as investments in associates when the Company directly or indirectly holds from 20% to under 50% of the voting shares of the investee without any other agreement.

Investments in associates are accounted for under the equity method. Under the equity method, on initial recognition the investment in an associate is recognised at cost. In case of investments of non-monetary assets, the cost of investments is recognised at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as finance income when the shareholder's right to receive payment is established.

Recognition principles of provision for investment impairment loss

Provision for investment impairment loss is made when there is any certain evidence that there will be an impairment in the value of these investments at the reporting date.

The difference between the required balance and the existing balance of provision for investment impairment loss is recognised as financial expenses in the income statement.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Provision for doubtful debts

As of the date of preparing the financial statements, provision for doubtful debt is recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might not be recoverable when due at the level as guided in prevailing regulations. The determination of the overdue period of a doubtful receivable to be provisioned is based on the principal repayment period according to the original sale contract, excluding the debt extension between the parties.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

3.5. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method

Provision for decline in value of inventories

As of the date of preparing the financial statements, provision is recognised for obsolete, slow-moving and defective inventory items and an excess of the cost of inventories over their net realisable value.

The difference between the required balance and the existing balance of the provision for a decline in value of inventories is included in cost of sales in the income statement.

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

3.6. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The costs of tangible fixed assets constructed by contractors are the finalised costs of the construction, other directly related expenses and the registration fee (if any).

Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

	<u>Year 2024</u>
▪ Buildings, structures	05 – 25 years
▪ Machinery and equipment	03 – 08 years
▪ Motor vehicles	06 – 16 years
▪ Office equipment	03 – 05 years

3.7. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

Accounting principles for intangible fixed assets

Land use rights

Land use rights are presented at historical cost less accumulated amortization. The value represents the land use rights for the area located at 58 Yersin Street, Phuong Phuong Sai, Nha Trang City, Khanh Hoa Province, Vietnam, as per Land Use Right Certificate No. AP 389613 dated 24 August 2009, corresponding to Plot No. 189, Map Sheet No. 11, with a land use term until 16 January 2039. Additionally, the land use rights include the area in Vo Canh Hamlet, Vinh Trung Commune, Nha Trang City, Khanh Hoa Province, as per Land Use Right Certificate No. BH 898789 dated 25 July 2013, corresponding to Plot No. 110, Map Sheet No. 23, with a land use term until 15 September 2049. Land use rights are amortized using the straight-line method based on the land use period.

Computer software

Computer software is not an indispensable component of hardware and is recognised as an intangible asset and depreciated over its useful life.

	<u>Year 2024</u>
▪ Computer software	03 years

3.8. Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes necessary fees to acquire assets including related construction fees, equipment, other fees and interest expense in accordance with the Company's accounting policy.

These expenses are temporarily measured as the original cost when the assets are put into use if the cost has yet to be approved.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Under the current regulations on investment and construction management, subject to management decentralisation, construction finalisation value shall be approved by competent agencies. The final construction finalisation value could be different from the aforementioned original cost subject to the finalisation approved by competent agencies.

3.9. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies, insurance expenses, repair expenses, which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the income statement:

- Tools and supplies are amortised to the income statement over 18 months to 3 years;
- One-time major fixed asset repair costs incurred by the Company, which are significant in value, are not provisioned in advance. Instead, these costs are gradually allocated to the operating results over time.

3.10. Liabilities

Liabilities are classified into trade payables, intra-company payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; intra-company payables represent those between the entity and its dependent accounting units having no legal status; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.11. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

The accrued expenses of the Company comprise accruals of interest expense. The interest expense is determined on an accrual basis by reference to remaining days of loan and at the interest rate applicable.

3.12. Borrowing costs

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until the assets are put into use or sale.

All other borrowing costs are recognised as an expense in the income statement when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.13. Scientific and technological development fund

Scientific and Technological Development Fund is established to provide investment resources for the Company's scientific and technological activities. The fund is formed by allocating up to 10% of taxable income before corporate income tax and is recognized in the operating results of the year. If 70% of the Scientific and Technological Development Fund is not utilized within five years from the date of allocation, the Company is obligated to pay corporate income tax on the remaining amount and any late payment interest arising from that tax.

3.14. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Share premiums

Share premiums are recognised as the difference between the issue price and the par value of shares, and the difference between the re-purchase price and the re-issue price of treasury shares.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved the General annual meeting of shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.15. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue from construction contracts

Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts as Note 3.17 below.

Interest income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the interest rate applicable.

3.16. Deductions

Deductions include trade discounts, allowances and sale returns.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.17. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the date of the balance sheet as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs - except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably:

- Revenue is only recognised to the extent of contract costs incurred that it is probable will be recoverable;
- Contract costs are only recognised as an expense in the period in which they are incurred.

3.18. Cost of sales

Cost of sales and services provided represents total costs of construction products, services which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.19. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include borrowing costs.

3.20. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, which include expenses relating to electronic invoicing services.

General and administrative expenses represent common expenses, which include payroll costs for office employees (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, depreciation expenses of fixed assets used for administration activities; land rental, license tax; utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses (entertainment, customer conference, etc.).

3.21. Taxation

Corporate income tax

Current corporate income tax expense:

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year as follow:

- Water production and supply activities: 10%;
- Other services: 20%.

Value added tax

The value-added tax applied to goods and services provided by the Company is as follows:

- Water production and supply activities: 5%
- Other services: 10%, with a reduced VAT rate of 8% applied to goods and services from 01 January 2024, to 31 December 2024, in accordance with Decree 94/2023/ND-CP dated 28 December 2023, and Decree 72/2024/ND-CP dated 30 June 2024, issued by the Government.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other taxes

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

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.22. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Company and held as treasury shares.

3.23. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Company and held as treasury shares.

3.24. Segment reporting

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Reference to Note 7 below.

3.25. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

4.1. Cash and cash equivalents

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Cash in hand	740,643	1,854,241
Cast at banks	3,523,921,267	2,883,916,640
Cash equivalents (Less than 3 months)	3,094,971,700	3,026,178,100
Total	6,619,633,610	5,911,948,981

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Financial investments

Held to maturity investments are analysed as follows:

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Cost	Carrying amount	Cost	Carrying amount
Current:				
Term Deposits	99,878,796,849	99,878,796,849	87,005,506,968	87,005,506,968
Total	<u>99,878,796,849</u>	<u>99,878,796,849</u>	<u>87,005,506,968</u>	<u>87,005,506,968</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other investments are detailed as follows:

	As at 31 Dec. 2024			As at 01 Jan. 2024		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Investments in joint ventures and associates:						
Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company	24,000,000,000	-	-	24,000,000,000	-	-
Total	24,000,000,000	-	-	24,000,000,000	-	-
				Year 2024		Year 2023

Performance of the associate during the year:

Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company

Profitable business operations

Profitable business operations

The primary transactions between the Company and the associate during the year are presented in Note 8.

As of the reporting date, the Company has not determined the fair value of these investments for disclosure in the financial statements due to the absence of a market quotation and the lack of guidance under Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System on fair value measurement using valuation techniques. The fair value of these investments may differ from their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.3. Current trade receivables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Receivables from water supply activities	41,617,327,926	37,259,320,453
Nha Trang City Public Service Management Board	1,482,585,642	8,029,152,086
Others	62,736,000	306,482,000
Total	43,162,649,568	45,594,954,539

4.4. Current advances to suppliers

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Dai Dong Tien Phat Co., Ltd.	-	622,728,000
TMT Trading & Construction Co., Ltd.	209,602,000	-
Others	156,600,000	448,156,800
Total	366,202,000	1,070,884,800

4.5. Other current receivables

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Value	Provision	Value	Provision
Accrued interest	1,459,533,728	-	1,155,013,132	-
Deposits, mortgages, Collateral	20,000,000	-	20,000,000	-
Advances	64,000,000	-	-	-
Others	699,655,919	-	431,379,092	-
Total	2,243,189,647	-	1,606,392,224	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.6. Doubtful debts

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue current trade receivables with low recoverability	153,600,000	-	153,600,000	-
Total	153,600,000	-	153,600,000	-

Management assessed the ability to recover the overdue receivables as low because these receivables have been outstanding for a long time and have not yet been collected.

Overdue trade receivables and overdue amounts loaned are analysed by debtor as follows:

	As at 31 Dec. 2024			As at 01 Jan. 2024		
	VND			VND		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
Joint Stock Company 504	100,000,000	-	Over 3 years	100,000,000	-	Over 3 years
CATSOFT Joint Stock Company	53,600,000	-	Over 3 years	53,600,000	-	Over 3 years
Total	153,600,000	-		153,600,000	-	

4.7. Inventories

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Value	Provision	Value	Provision
Raw Materials	22,529,448,390	-	25,129,962,890	-
Tools and Supplies	59,404,562	-	-	-
Work in progress	1,030,672,710	-	1,121,007,895	-
Total	23,619,525,662	-	26,250,970,785	-

There is no slow moving and obsolescent inventory at the year-end.

There is no inventory pledged as security for liabilities at the year-end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.8. Construction in progress**

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
DN400 Pipeline on Vo Nguyen Giap & To Huu Streets (from National Highway 1A to Le Hong Phong Street)	-	1,707,914,749
Investment in HDPE Water Supply Pipelines DN300, DN150, DN100 – Dien Bien Phu Street (from the intersection of 2/4 Street to the intersection of Pham Van Dong Street)	-	2,600,854,980
Other Water Supply Pipeline Projects	1,932,114,073	3,504,330,773
Total	1,932,114,073	7,813,100,502

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.9. Tangible fixed assets**

Items	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost:					
As at 01 Jan. 2024	91,348,171,000	312,414,237,566	844,703,400,534	2,648,928,232	1,251,114,737,332
Purchase	-	542,003,000	546,001,111	77,363,636	1,165,367,747
Self-construction	1,403,662,963	14,371,108,753	131,601,182,964	-	147,375,954,680
Disposals	-	(8,537,182,670)	-	-	(8,537,182,670)
Other decreases	-	(312,889,000)	(111,659,770,046)	-	(111,972,659,046)
As at 31 Dec. 2024	92,751,833,963	318,477,277,649	865,190,814,563	2,726,291,868	1,279,146,218,043
Accumulated depreciation:					
As at 01 Jan. 2024	70,125,884,143	248,541,915,482	604,725,880,319	2,250,660,028	925,644,339,972
Depreciation	4,629,046,539	18,576,536,866	56,160,790,496	232,294,524	79,598,668,425
Disposals	-	(8,537,182,670)	-	-	(8,537,182,670)
Other decreases	-	-	(111,659,770,046)	-	(111,659,770,046)
As at 31 Dec. 2024	74,754,930,682	258,581,269,678	549,226,900,769	2,482,954,552	885,046,055,681
Net book value:					
As at 01 Jan. 2024	21,222,286,857	63,872,322,084	239,977,520,215	398,268,204	325,470,397,360
As at 31 Dec. 2024	17,996,903,281	59,896,007,971	315,963,913,794	243,337,316	394,100,162,362

The amount of year-end net book value of tangible fixed assets totalling VND 62,707,152,480 was pledged/mortgaged as loan security.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 610,069,518,659.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.10. Intangible fixed assets

Items	Land use rights VND	Computer software VND	Total VND
Cost:			
As at 01 Jan. 2024	24,636,685,000	4,034,534,400	28,671,219,400
Purchase	-	83,170,000	83,170,000
As at 31 Dec. 2024	24,636,685,000	4,117,704,400	28,754,389,400
Accumulated depreciation:			
As at 01 Jan. 2024	10,941,815,770	3,968,627,740	14,910,443,510
Depreciation	887,728,776	42,874,784	930,603,560
As at 31 Dec. 2024	11,829,544,546	4,011,502,524	15,841,047,070
Net book value:			
As at 01 Jan. 2024	13,694,869,230	65,906,660	13,760,775,890
As at 31 Dec. 2024	12,807,140,454	106,201,876	12,913,342,330

The amount of year-end net book value of tangible fixed assets totalling VND 12,807,140,454 was pledged/mortgaged as loan security.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 3,935,674,400.

4.11. Current accrued expenses

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current:		
Tools and supplies pending amortisation	-	74,717,667
Repairing expenses and other expenses	-	143,855,726
Total	-	218,573,393
Non-current:		
Tools and supplies pending amortisation	892,429,882	1,518,653,760
Repairing expenses and other expenses	4,397,611,529	2,059,896,301
Total	5,290,041,411	3,578,550,061

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.12. Current trade payables

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Value	Payable value	Value	Payable value
Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company	4,902,345,000	4,902,345,000	3,506,107,500	3,506,107,500
Dung Loi Company Limited	-	-	5,859,229,000	5,859,229,000
TNG Investment and Construction Joint Stock Company	2,611,974,777	2,611,974,777	4,489,229,230	4,489,229,230
Son Thanh Water Supply and Sewerage Investment Construction Joint Stock Company	1,381,964,850	1,381,964,850	-	-
Hawaco Southern Corporation	926,478,000	926,478,000	1,962,792,000	1,962,792,000
Others	1,187,222,580	1,187,222,580	2,434,498,924	2,434,498,924
Total	11,009,985,207	11,009,985,207	18,251,856,654	18,251,856,654
Trade payables to related parties – Refer to Note 8	4,902,345,000	4,902,345,000	3,506,107,500	3,506,107,500

4.13. Current advances from customers

	As at 31 Dec. 2024	As at 01 Jan. 2024
	VND	VND
Khanh Hoa Provincial Land Fund Development Center	1,261,098,000	1,261,098,000
Marina Hotel Joint Stock Company	319,767,000	319,767,000
Khanh Hoa Province Development Project Management Board	-	252,042,000
Others	255,945,000	446,184,081
Total	1,836,810,000	2,279,091,081

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.14. Tax and amounts payable to the State budget

	As at	Movements in the year		As at
	31 Dec. 2024	VND		01 Jan. 2024
	VND	VND		VND
	Payable	Payable	Paid/Deducted	Payable
Value added tax	1,210,749,033	30,345,875,416	30,080,940,634	945,814,251
VAT: Business Activities	640,806,419	22,428,582,923	22,198,653,127	410,876,623
VAT: Drainage Services	569,942,614	7,917,292,493	7,882,287,507	534,937,628
Import, export duties	-	-	-	-
Corporate income tax	2,607,964,757	10,739,973,260	8,800,000,000	667,991,497
Personal income tax	1,506,217,500	5,688,628,186	5,068,329,068	885,918,382
National resources tax	146,435,040	1,874,916,360	1,875,193,880	146,712,560
Land tax, land rental	-	84,015,362	84,015,362	-
Business License Tax	-	4,000,000	4,000,000	-
Others	7,479,226,954	91,804,432,801	91,327,537,287	7,002,331,440
Total	12,950,593,284	140,541,841,385	137,240,016,231	9,648,768,130

4.15. Payables to employees

	As at	As at
	31 Dec. 2024	01 Jan. 2024
	VND	VND
Salary	20,813,903,056	24,208,597,039
Total	20,813,903,056	24,208,597,039

4.16. Accrued expenses

	As at	As at
	31 Dec. 2024	01 Jan. 2024
	VND	VND
Environmental protection fee support costs for domestic wastewater	364,013,000	340,044,000
Loan interest	-	18,804,504
Others	4,294,062,983	2,385,384,376
Total	4,658,075,983	2,744,232,880

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17. Other payables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current:		
Trade union expenditure, social insurance	149,777,446	142,330,219
Loan interest grace period	-	888,400,000
Deposits received	4,518,285,193	4,168,285,193
Khanh Hoa Provincial People's Committee	1,658,934,000	1,658,934,000
Others	437,224,512	262,185,858
Total	6,764,221,151	7,120,135,270
Non-current:		
Khanh Hoa Provincial People's Committee	9,932,332,308	11,591,266,308
Total	9,932,332,308	11,591,266,308
Other payables to related parties – Refer to Note 8	11,591,266,308	13,250,200,308

KHANH HOA WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

Address: 58 Yersin, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.18. Loans and finance lease liabilities**

Loans and finance lease liabilities are analysed as follows:

	As at 31 Dec. 2024		Movements in the year		As at 01 Jan. 2024	
	Value	Payable value	Increase	Decrease	Value	Payable value
	VND		VND		VND	
Current portion of long-term borrowings:						
Vietnam Development Bank - Khanh Hoa Branch	-	-	-	4,513,080,978	4,513,080,978	4,513,080,978
Khanh Hoa Development Investment Fund (1)	25,216,000,000	25,216,000,000	28,182,000,000	20,806,225,000	17,840,225,000	17,840,225,000
Khanh Hoa Provincial Budget (2)	6,097,324,932	6,097,324,932	6,097,324,932	6,097,324,932	6,097,324,932	6,097,324,932
Total	31,313,324,932	31,313,324,932	34,279,324,932	31,416,630,910	28,450,630,910	28,450,630,910
Long-term borrowings:						
Khanh Hoa Development Investment Fund (1)	93,627,146,000	93,627,146,000	67,341,000,000	28,182,000,000	54,468,146,000	54,468,146,000
Khanh Hoa Provincial Budget (2)	12,194,648,659	12,194,648,659	-	6,097,324,932	18,291,973,591	18,291,973,591
Total	105,821,794,659	105,821,794,659	67,341,000,000	34,279,324,932	72,760,119,591	72,760,119,591
Overall total	137,135,119,591	137,135,119,591	101,620,324,932	65,695,955,842	101,210,750,501	101,210,750,501

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (1) Long-term loans from Khanh Hoa Development Investment Fund under the following credit agreements:
- Credit Agreement No. 06/2016/HĐTD - ĐTPT dated 21 November 2016, with a credit limit of VND 24,370,000,000; loan term of 105 months from the first disbursement date, repayment term of 96 months from the end of the grace period; lending interest rate of 8.29% per annum. Purpose of the loan: Investment in a clean water supply system for Tri Nguyen Island. The loan is secured by assets formed from the loan capital.
 - Credit Agreement No. 09/2017/HĐTD - ĐTPT dated 27 December 2017, with a credit limit of VND 41,150,000,000; loan term of 126 months from the first disbursement date, repayment term of 120 months from the end of the grace period; lending interest rate of 8.29% per annum. Purpose of the loan: Renovation and upgrade of the DN700 water supply pipeline on 23/10 Street, from Vo Canh Water Plant to Cau Dua - Nha Trang. The loan is secured by assets formed from the loan capital.
 - Credit Agreement No. 03/2019/HĐTD - ĐTPT dated 22 May 2019, with a credit limit of VND 11,700,000,000; loan term of 141 months from the first disbursement date, repayment term of 139 months from the end of the grace period; lending interest rate of 8.29% per annum. Purpose of the loan: Renovation of the water treatment plant in To Hap Town. The loan is secured by the Land Use Rights for land parcel No. 189 at 58 Yersin Street, Phuong Sai Ward, Nha Trang City, Khanh Hoa Province, and assets formed from the loan capital.
 - Credit Agreement No. 17/2020/HĐTD - ĐTPT dated 09 December 2020, with a credit limit of VND 43,290,000,000; loan term of 136 months from the first disbursement date, repayment term of 132 months from the end of the grace period; lending interest rate of 8.29% per annum. Purpose of the loan: "Renovation and upgrade of the DN700 water supply pipeline on 23/10 Street, from Ma Vong to Cau Dua - Nha Trang." The loan is secured by assets formed from the loan capital.
 - Credit Agreement No. 12/2022/HĐTD - ĐTPT dated 06 July 2022, with a credit limit of VND 3,780,000,000; loan term of 74 months from the first disbursement date, repayment term of 72 months from the end of the grace period; lending interest rate of 7.9% per annum. Purpose of the loan: "Repair and restoration of the Ha Ra Bridge (National Highway 1A) water supply pipeline." The loan is secured by assets formed from the loan capital.
 - Credit Agreement No. 01/2023/HĐTD - ĐTPT dated 07 April 2023, and Appendix No. 01 dated 22 June 2023, with a credit limit of VND 5,769,000,000; loan term of 75 months from the first disbursement date (25 April 2023), grace period of 3 months, repayment term of 72 months from the end of the grace period; lending interest rate of 7.9% per annum. Purpose of the loan: "Investment in upgrading the remaining four filtration tanks of Treatment Cluster A (as part of the investment project for upgrading Vo Canh Water Plant - Phase 2)." The loan is unsecured.
 - Credit Agreement No. 02/2023/HĐTD - ĐTPT dated 27 June 2023, with a credit limit of VND 4,655,000,000; loan term of 73 months from the first disbursement date (30 June 2023), grace period of 1 month, repayment term of 72 months from the end of the grace period; lending interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC DN150, 100 water supply pipelines with HDPE DN150, 100 pipelines on Le Hong Phong Street (from Ma Vong to Phuoc Long)." The loan is secured by assets formed from the loan capital.
 - Credit Agreement No. 03/2023/HĐTD - ĐTPT dated 27 June 2023, with a credit limit of VND 3,583,000,000; loan term of 62 months from the first disbursement date of 13 September 2023; grace period of 1 month; repayment period of 61 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN100, 50 with HDPE pipeline DN100, 50 - Hon Ro 1 Residential Area (from Binh Tan Bridge intersection to Hon Ro Market)." The loan is secured by assets formed from the loan.
 - Credit Agreement No. 04/2023/HĐTD - ĐTPT dated 27 June 2023, with a credit limit of VND 2,236,000,000; loan term of 70 months from the first disbursement date of 19 September 2023; grace period of 1 month; repayment period of 69 months from the end of the grace period; loan

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN150, 100, 50 with HDPE pipeline DN200, 100 – Da Tuong Street (from Truong Sa intersection to Tran Phu intersection)." The loan is secured by assets formed from the loan.

- Credit Agreement No. 05/2023/HĐTD - ĐTPT dated 27 June 2023, with a credit limit of VND 6,320,000,000; loan term of 73 months from the first disbursement date of 30 June 2023; grace period of 1 month; repayment period of 72 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN200, 150, 100, 50 with HDPE pipeline DN300, 150, 100, 50 - 2/4 Street (from Nguyen Xien Street to Tran Quy Cap Street)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 08/2023/HĐTD - ĐTPT dated 21 September 2023, with a credit limit of VND 4,390,000,000; loan term of 69 months from the first disbursement date of 05 October 2023; grace period of 1 month; repayment period of 68 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in HDPE pipeline DN300, 50 on Nguyen Luong Bang Street (from Vinh Phuong Bridge to National Highway 1 intersection)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 19/2023/HĐTD - ĐTPT dated 20 November 2023, with a credit limit of VND 5,689,000,000; loan term of 67 months from the first disbursement date of 19 September 2023; grace period of 1 month; repayment period of 66 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN150, 100, 50 with HDPE pipeline DN200, 100 – Da Tuong Street (from Truong Sa intersection to Tran Phu Street intersection)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 20/2023/HĐTD - ĐTPT dated 20 November 2023, with a credit limit of VND 3,330,000,000; loan term of 73 months from the first disbursement date; grace period of 1 month; repayment period of 72 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN200, 150, 100 with HDPE pipeline DN300, 150, 100 – Tran Hung Dao Street, Pasteur Street, Le Loi Street – Loc Tho Ward, Huong Xuan - Nha Trang City (from Le Thanh Ton Street to Ngo Quyen Street)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 21/2023/HĐTD - ĐTPT dated 20 November 2023, with a credit limit of VND 4,550,000,000; loan term of 65 months from the first disbursement date of 30 November 2023; grace period of 1 month; repayment period of 64 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN30, 100 with HDPE pipeline DN300, 100 - National Highway 1 (from Dac Loc Industrial Park to Vinh Phuong intersection)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 01/2024/HĐTD - ĐTPT dated 24 January 2024, with a credit limit of VND 4,430,000,000; loan term of 73 months from the first disbursement date; grace period of 1 month; repayment period of 72 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC pipeline DN300, 150, 100 with HDPE pipeline DN300, 150, 100 – Dien Bien Phu Street (from the intersection with 2/4 Street to the intersection with Phạm Văn Đồng Street)." The loan is secured by assets formed from the loan.
- Credit Agreement No. 02/2024/HĐTD - ĐTPT dated 21 March 2024 with a credit limit of VND 49,000,000,000; loan term of 107 months from the first disbursement date; grace period of 5 months; repayment period of 102 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in the construction of a DN400 water supply pipeline on Vo Nguyen Giap Street and To Huu Street (section from the intersection of National Highway 1 bypass to Le Hong Phong Street)." The loan is secured by assets formed from the loan capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Credit Agreement No. 04/2024/HDTĐ - ĐTPT dated 26 June 2024 with a credit limit of VND 3,535,000,000; loan term of 73 months from the first disbursement date; grace period of 5 months; repayment period of 72 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in HDPE DN300 and DN100 water supply pipelines on Hung Vuong Street and Biet Thu Street (from Le Thanh Ton to Biet Thu to Tran Phu)." The loan is secured by assets formed from the loan capital.
- Credit Agreement No. 05/2024/HDTĐ - ĐTPT dated 26 June 2024 with a credit limit of VND 4,720,000,000; loan term of 60 months from the first disbursement date; grace period of 5 months; repayment period of 58 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in HDPE DN150 and DN100 pipelines replacing old PVC pipelines - Hoang Dieu Street (from Tran Phu to N7 Nguyen Tri Phuong intersection)." The loan is secured by assets formed from the loan capital.
- Credit Agreement No. 06/2024/HDTĐ - ĐTPT dated 26 June 2024 with a credit limit of VND 1,727,000,000; loan term of 54 months from the first disbursement date; grace period of 5 months; repayment period of 53 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in DN300, DN200, and DN100 water supply pipelines replacing old PVC DN200, DN150, and DN100 pipelines - Pham Van Dong Street (section from Thien Phuoc Restaurant to Hon Mot Bridge)." The loan is secured by assets formed from the loan capital.
- Credit Agreement No. 20/2024/HDTĐ - ĐTPT dated 06 September 2024 with a credit limit of VND 3,939,000,000; loan term of 53 months from the first disbursement date; grace period of 5 months; repayment period of 52 months from the end of the grace period; loan interest rate of 7.9% per annum. Purpose of the loan: "Investment in DN300, DN150, and DN100 water supply pipelines replacing old PVC pipelines - National Highway 1C (Thong Nhat Street, 23/10 Street, from Cay Xang to Cho Moi Bridge)." The loan is secured by assets formed from the loan capital.
- Credit Agreement No. 22/2024/HĐTD - ĐTPT dated 30 October 2024, with a credit limit of VND 3,112,000,000; loan term of 73 months from the first disbursement date, grace period of 5 months, repayment term of 72 months from the end of the grace period; lending interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC DN200, 100, 50 pipelines with HDPE DN200, 100, 50 pipelines in the Dong Muong Duong De Area (along Ly Thai To Street to Pham Van Dong Street)." The loan is secured by assets formed from the loan capital.
- Credit Agreement No. 23/2024/HĐTD - ĐTPT dated 30 October 2024, with a credit limit of VND 3,031,000,000; loan term of 73 months from the first disbursement date, grace period of 5 months, repayment term of 72 months from the end of the grace period; lending interest rate of 7.9% per annum. Purpose of the loan: "Investment in replacing the old PVC DN300, 150, 100 pipelines with HDPE DN300, 150, 100 pipelines on Tran Hung Dao Street, Pasteur Street, Le Loi Street - Loc Tho Ward, Huong Xuan - Nha Trang City (from Le Thanh Ton Street to Ngo Quyen Street)." The loan is secured by assets formed from the loan capital.

(2) Long-term loan from the Khanh Hoa Provincial Budget with a total amount of VND 73,167,899,183, for the investment in the project "Expansion and Capacity Upgrade of the Vo Canh Water Plant", with an interest rate of 0% per annum. The repayment period is 12 years from the date the project is completed, accepted, and put into operation. There is no asset secured for this loan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.19. Owners' equity

4.19.1. Changes in owners' equity

	Items of owners' equity					Total VND
	Owners' contributed capital VND	Capital surplus VND	Investment and development fund VND	Retained earnings VND		
As at 01 Jan. 2023	285,999,960,000	852,875,935	2,877,091,393	38,583,746,457		328,313,673,785
Previous year's profits	-	-	-	61,465,701,491		61,465,701,491
Distribution to investment and development fund	-	-	1,407,750,657	(1,407,750,657)		-
Distribution to bonus and welfare fund	-	-	-	(7,146,000,000)		(7,146,000,000)
Dividend distribution	-	-	-	(30,029,995,800)		(30,029,995,800)
As at 01 Jan. 2024	285,999,960,000	852,875,935	4,284,842,050	61,465,701,491		352,603,379,476
Current year's profits	-	-	-	87,242,802,312		87,242,802,312
Distribution to investment and development fund (*)	-	-	18,434,906,443	(18,434,906,443)		-
Distribution to bonus and welfare fund (*)	-	-	-	(7,624,000,000)		(7,624,000,000)
Dividend distribution (*)	-	-	-	(35,406,795,048)		(35,406,795,048)
As at 31 Dec. 2024	285,999,960,000	852,875,935	22,719,748,493	87,242,802,312		396,815,386,740

(*) The Company distributes the after-tax profit for the year 2023 in accordance with Resolution No. 02/NQ-DHĐCĐ of the 2024 Annual General Meeting of Shareholders, dated 24 April 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.19.2. Details of owners' equity

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Khanh Hoa Provincial People's Committee	145,860,000,000	145,860,000,000
Ree Water Company Limited	125,505,600,000	125,505,600,000
Others	14,634,360,000	14,634,360,000
Total	285,999,960,000	285,999,960,000

4.19.3. Capital transactions with owners

	Year 2024 VND	Year 2023 VND
Beginning balance	285,999,960,000	285,999,960,000
Capital contribution in the year	-	-
Capital redemption in the year	-	-
Ending balance	285,999,960,000	285,999,960,000

4.19.4. Shares

	As at 31 Dec. 2024	As at 01 Jan. 2024
Number of shares registered for issue	28,599,996	28,599,996
Number of shares sold to public	28,599,996	28,599,996
- <i>Ordinary shares</i>	28,599,996	28,599,996
- <i>Preference shares (Classified as owners' equity)</i>	-	-
Number of shares repurchased (Treasury shares)	-	-
- <i>Ordinary shares</i>	-	-
- <i>Preference shares (Classified as owners' equity)</i>	-	-
Number of shares outstanding	28,599,996	28,599,996
- <i>Ordinary shares</i>	28,599,996	28,599,996
- <i>Preference shares (Classified as owners' equity)</i>	-	-

Par value per outstanding share: VND 10,000 per share

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.19.5. Basic earnings per share

	Year 2024 VND	Year 2023 VND
Profit / (loss) after tax attributable to ordinary share holders	87,242,802,312	61,465,701,491
Adjusted for distribution to bonus and welfare fund	-	(7,624,000,000)
Earnings for the purpose of calculating basic earnings per share	87,242,802,312	53,841,701,491
Weighted average number of ordinary shares outstanding	28,599,996	28,599,996
Basic earnings per share	3,050	1,883

4.19.6. Diluted earnings per share

	Year 2024 VND	Year 2023 VND
Profit / (loss) after tax attributable to ordinary share holders	87,242,802,312	61,465,701,491
Adjusted for distribution to bonus and welfare fund	-	(7,624,000,000)
Earnings for the purpose of calculating diluted earnings per share	87,242,802,312	53,841,701,491
Weighted average number of ordinary shares outstanding during the period	28,599,996	28,599,996
Adjusted for dilutive potential ordinary shares outstanding during the period	-	-
Number of ordinary shares for the purpose of calculating diluted earnings per share	28,599,996	28,599,996
Diluted earnings per share	3,050	1,883

In 2024, the Company's General Meeting of Shareholders has not yet approved a plan for the appropriation of the bonus and welfare fund. Accordingly, the after-tax profit used to calculate the basic and diluted earnings per share for 2024 represents the entire after-tax profit attributable to the Company's shareholders. These indicators for 2024 may be subject to change when the Company makes a decision regarding fund appropriation in the future.

The appropriation figures for the bonus and welfare fund in 2023 have been restated based on the 2024 Annual General Meeting of Shareholders' resolution on the distribution of 2023 profits. Accordingly, the restated basic/diluted earnings per share for 2023 is VND 1,883 per share (previously reported in last year's financial statements as VND 2,149 per share).

4.19.7. Dividends

According to Resolution No. 02/NQ-DHĐCĐ dated 24 April 2024, of the General Meeting of Shareholders and Resolution No. 35/NQ-HĐQT dated 18 June 2024, of the Board of Directors, the Company has approved the 2023 dividend distribution plan with a payout ratio of 12.38% of charter capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.19.8. Corporate funds

	Investment and development fund VND
As at 01 Jan. 2024	4,284,842,050
Additions	18,434,906,443
Utilisations	-
As at 31 Dec. 2024	<u>22,719,748,493</u>

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

	Year 2024 VND	Year 2023 VND
Revenue from clean water production and supply activities	418,626,110,955	362,150,865,201
Revenue from construction activities	17,105,029,509	23,415,258,245
Revenue from surveying and design activities	224,837,617	330,832,328
Revenue from environmental protection fees	103,477,919	77,685,974
Other revenue	10,185,186	9,765,080
Total	<u>436,069,641,186</u>	<u>385,984,406,828</u>

5.2. Deductions

	Year 2024 VND	Year 2023 VND
Sales returns	23,487,617	17,708,361
Total	<u>23,487,617</u>	<u>17,708,361</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.3. Cost of sales

	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
Cost of clean water production and supply activities	312,437,480,414	284,167,847,810
Cost of construction activities	14,753,630,179	21,860,114,871
Cost of surveying and design activities	41,779,765	97,351,556
Cost of environmental protection fees	103,477,908	77,685,809
Cost of other activities	-	8,651,500
Total	<u>327,336,368,266</u>	<u>306,211,651,546</u>

5.4. Finance income

	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
Deposit interest	3,540,229,612	4,302,178,789
Dividends received	1,080,000,000	1,080,000,000
Total	<u>4,620,229,612</u>	<u>5,382,178,789</u>

5.5. Finance expense

	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
Loan interest	4,004,994,014	3,421,683,573
Total	<u>4,004,994,014</u>	<u>3,421,683,573</u>

5.6. Selling expense

	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
Service expense	450,000,000	600,000,000
Total	<u>450,000,000</u>	<u>600,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.7. General and administrative expense

	Year 2024 VND	Year 2023 VND
Employee expense	4,653,284,399	4,225,395,782
Materials expense	923,027,502	488,743,180
Depreciation and amortisation expense	164,535,132	143,289,164
Service expense	2,263,235,783	1,769,312,128
Other expenses	3,475,068,297	6,879,799,291
Total	11,479,151,113	13,506,539,545

5.8. Other income

	Year 2024 VND	Year 2023 VND
Gains from wastewater drainage fees and environmental protection fees	4,577,311,044	4,190,431,685
Gains from disposal and sale of fixed assets	155,909,091	-
Gains from disposal of materials	804,404,091	-
Others	279,786,123	1,164,373,122
Total	5,817,410,349	5,354,804,807

5.9. Other expense

	Year 2024 VND	Year 2023 VND
Costs for supporting the collection of environmental protection fees	4,577,653,302	4,190,184,741
Additional tax assessment and penalties	78,995,254	1,362,810
Others	573,856,009	88,551,474
Total	5,230,504,565	4,280,099,025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.10. Production and business costs by element

	Year 2024 VND	Year 2023 VND
Material expense	136,245,988,571	76,371,947,601
Employee expense	99,185,234,445	95,353,586,727
Depreciation expense	80,226,210,911	76,400,340,623
Service expense	11,300,645,170	12,101,093,054
Other expenses	12,217,105,097	21,894,972,530
Total	339,175,184,194	282,121,940,535

5.11. Current corporate income tax expense

	Year 2024 VND	Year 2023 VND
Accounting profits before tax	97,982,775,572	68,683,708,374
Adjustments of taxable income	215,725,665	1,458,626,608
Add: Increasing adjustments	1,295,725,665	1,458,626,608
- <i>Non-deductible expenses</i>	1,295,725,665	378,626,608
Less: Decreasing adjustments	1,080,000,000	1,080,000,000
- <i>Dividends received</i>	1,080,000,000	1,080,000,000
Total taxable income	98,198,501,237	70,142,334,982
- <i>Income from activities taxed at 20%</i>	5,164,225,430	4,197,733,852
- <i>Income from activities taxed at 10%</i>	93,034,275,807	63,784,601,130
Current CIT rate	10,336,272,667	7,218,006,883
- <i>Income from activities taxed at 20%</i>	1,032,845,086	839,546,770
- <i>Income from activities taxed at 10%</i>	9,303,427,581	6,378,460,113
Current corporate income tax expense	10,739,973,260	7,218,006,883
<i>In which:</i>		
- <i>Current corporate income tax expense</i>	10,336,272,667	7,218,006,883
- <i>Adjusted to the current corporate income tax expense of the previous year</i>	403,700,593	-

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT

6.1. Cash receipts from loans in the year

	Year 2024 VND	Year 2023 VND
Cash receipts from loans under normal contracts	67,341,000,000	31,502,146,000
Total	67,341,000,000	31,502,146,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6.2. Cash repayments of principal amounts borrowed**

	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
Cash repayment of principal amounts under normal contracts	31,416,630,910	29,314,484,932
Total	<u>31,416,630,910</u>	<u>29,314,484,932</u>

7. SEGMENT REPORTING

For management purposes, the Company is organised on a nation - wide basis into the following geographical business locations:

- Clean water production and supply;
- Construction activities;
- Surveying and design activities;
- Others.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTIES

List of related parties

Relationship

1. Khanh Hoa Provincial People's Committee	Significant influence shareholder
2. REE Water Company Limited	Significant influence shareholder
3. Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company	Associate
4. Board of Directors and Management	Key management personnel

At the end of the reporting year, the balances with related parties are as follows:

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current trade payables		
Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company	4,902,345,000	3,506,107,500
Total - Refer to 4.12	4,902,345,000	3,506,107,500

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Other payables		
Khanh Hoa Provincial People's Committee	11,591,266,308	13,250,200,308
Total - Refer to 4.17	11,591,266,308	13,250,200,308

During the reporting year, the Company has had related party transactions as follows:

	Year 2024 VND	Year 2023 VND
Suoi Dau Water Supply and Sewerage Construction Investment Joint Stock Company		
Purchase of goods and services	56,322,300,000	40,648,980,000
Sales of goods and services	-	9,187,037
Dividends received	1,080,000,000	1,080,000,000
Others	233,000,000	147,000,000
Khanh Hoa Provincial People's Committee		
Dividend distribution	18,057,468,000	15,315,300,000
Payment related to asset handover	1,658,934,000	1,658,934,000
REE Water Company Limited		
Dividend distribution	15,537,593,280	13,178,088,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Remunerations of the Board of Directors and Supervisory Committee:

Full name	Title	Year 2024 VND	Year 2023 VND
Mr. Vu Van Binh	Chairman of the Board of Directors	87,600,000	89,294,643
Mr. Nguyen Van Dam	Member of the Board of Directors	81,600,000	83,178,571
Mr. Nguyen Van Quan	Member of the Board of Directors	81,600,000	83,178,571
Mr. Truong Khac Hoanh (REE)	Member of the Board of Directors	81,600,000	83,178,571
Mr. Nguyen Anh Tuan (REE)	Member of the Board of Directors	81,600,000	83,178,571
Mr. Hoang Long	Head of the Supervisory Committee	66,000,000	67,276,786
Ms. Nguyen Thi Thuy Ninh	Member of the Supervisory Committee	60,000,000	61,160,714
Mr. Quach Vinh Binh (REE)	Member of the Supervisory Committee	60,000,000	61,160,714

Salaries, bonuses and other incomes of Management, Board of Directors, Supervisory Committee and other key personels:

Full name	Title	Year 2024 VND	Year 2023 VND
Mr. Vu Van Binh	Chairman of the Board of Directors cum Deputy General Director	1,046,900,000	880,620,000
Mr. Nguyen Van Dam	Member of the Board of Directors cum General Director	1,432,546,000	1,146,386,000
Mr. Nguyen Hong Son	Deputy General Director	1,069,112,000	859,515,000
Ms. Vo Thi Khanh Hoa	Deputy General Director	1,047,238,000	849,087,000
Mr. Nguyen Van Quan	Member of the Board of Directors	1,040,784,000	859,411,000
Mr. Truong Khac Hoanh (REE)	Member of the Board of Directors	23,386,000	30,253,000
Mr. Nguyen Anh Tuan (REE)	Member of the Board of Directors	23,386,000	30,253,000
Mr. Hoang Long	Head of the Supervisory Committee	761,252,000	659,427,000
Ms. Nguyen Thi Thuy Ninh	Member of the Supervisory Committee	431,657,000	359,023,000
Mr. Quach Vinh Binh (REE)	Member of the Supervisory Committee	14,616,000	18,908,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. EVENTS AFTER THE END OF THE REPORTING YEAR

There were no significant events arising after the end of the reporting year to the date of the financial statements.



Nguyen Van Dam
General Director

Khanh Hoa Province, 21 February 2025



Nguyen Van Quan
Chief Accountant



Tran Thi thu Ha
Preparer