

**(VIETVALUES<sup>®</sup>) Audit and Consulting Co., Ltd**  
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# **INDEPENDENT AUDITOR'S REPORT ON THE 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 Financial Statements (unconsolidated) 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/QD-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 01/7/2010 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/QD-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.

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

### 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. Dependent units:

The Company has 02 dependent units:

No.	Name	Address
1.	Danang Water Supply Project Management Unit	No. 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City
2.	Dawaco Construction Enterprise	No. 10 Trinh Cong Son, Danang City

#### Subsidiary Company:

Company Name	Address	Main Business Lines	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
Danang 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%



**DANANG WATER SUPPLY JOINT STOCK COMPANY**  
**STATEMENT OF THE BOARD OF DIRECTORS**

Address: No 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City  
For the fiscal year ended as of December 31, 2025

**4. 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, and 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.

**5. The Board of Directors, the Supervisory Board, the Board of General Managers and the Chief Accountant**

Members of the Board of Directors, the Supervisory Board, the Board of General Managers and the Chief Accountant during the period and up to the reporting date are as follows:

**5.1 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

**5.2 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	



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

### 5.3 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

## 6. The Legal Representative

The Company's legal representative during the year and up to the time of this report is Mr. Ho Minh Nam, General Manager of the Company, appointed on October 29, 2021.

## 7. Assessment of operational performance

The operational results and financial position (unconsolidated) of Da Nang Water Supply Joint Stock Company for the fiscal year ending December 31, 2025, are presented in the separate financial statements from page 08 to page 45.

## 8. Subsequent Events

In the opinion of the Board of Directors, the Financial Statements (unconsolidated) of the Company for the fiscal year ended as of 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 financial statements.

## 9. Auditor

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

## 10. Responsibility of the Board of General Managers

The Board of General Managers is responsible for preparing (unconsolidated) Financial Statements to truly and fairly present 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.

**DANANG WATER SUPPLY JOINT STOCK COMPANY**

**STATEMENT OF THE BOARD OF DIRECTORS**

Address: No 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City

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

- 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 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 financial statements.

**11. Approval of Financial statements**

We, the Board of Directors has approved the accompanying financial statements (unconsolidated) for the fiscal year ending December 31, 2025. The financial statements (unconsolidated) give a true and fair view of the financial position (unconsolidated) of the Company as at December 31, 2025, and the results of operations and cash flows (unconsolidated) 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 financial statements.

**On behalf of the Board of Directors**



**HO HUONG**

**Chairman of the Board of Directors**

Danang, March 11, 2026





No: 007/2026/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 the Financial Statements (unconsolidated) of Danang Water Supply Joint Stock Company (hereinafter referred to as "the Company"), prepared on March 11, 2025, from page 08 to page 45, which comprise the Balance sheet (unconsolidated) as at December 31, 2025, Income statement (unconsolidated), Statement of cash flows (unconsolidated) for the fiscal year then ended and Notes to the financial statements (unconsolidated).

### **The Board of General Managers' responsibility**

The Board of General Managers of the Company is responsible for the preparation and fair presentation of the financial statements (unconsolidated) in accordance with the accounting standards, Vietnamese enterprises' accounting regime, as well as legal regulations related to the preparation and presentation of the financial statements (unconsolidated) and for such internal control as the Board of General Managers determines, is necessary to enable the preparation and presentation of the financial statements (unconsolidated) 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 Managers, as well as evaluating the overall presentation of the consolidated financial statement (unconsolidated).

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

### **Auditor's Qualified opinion**

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Da Nang Water Supply Joint Stock Company as at 31 December 2025, and its separate results of operations and separate 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 separate financial statements.



Our opinion is not modified in respect of this matter.

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

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

**BALANCE SHEET****As at December 31, 2025**

Unit: VND

Code	ASSETS	Notes	Dec 31, 2025	Jan 01, 2025
1	2	3	4	5
<b>100</b>	<b>A. SHORT-TERM ASSETS</b>		<b>586,192,635,585</b>	<b>507,054,675,662</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	V.1	<b>38,803,131,589</b>	<b>50,896,601,474</b>
111	1. Cash		13,803,131,589	50,896,601,474
112	2. Cash equivalents		25,000,000,000	-
<b>120</b>	<b>II. Short-term financial investments</b>		<b>456,047,674,492</b>	<b>359,088,224,415</b>
121	1. Trading securities		-	-
123	2. Investments held to maturity	V.2	456,047,674,492	359,088,224,415
<b>130</b>	<b>III. Short-term receivables</b>		<b>30,311,704,872</b>	<b>26,407,056,529</b>
131	1. Short-term trade receivables	V.3	14,468,521,718	16,223,044,308
132	2. Short-term prepayments to suppliers	V.4	7,993,785,762	1,886,001,013
136	3. Other short-term receivables	V.5	15,717,880,784	16,286,543,075
137	4. Short-term provision for doubtful debts	V.6	(7,868,483,392)	(7,988,531,867)
<b>140</b>	<b>IV. Inventories</b>	V.7	<b>53,680,820,763</b>	<b>42,142,591,300</b>
141	1. Inventories		53,680,820,763	42,142,591,300
142	2. Allowances for decline in value of inventories		-	-
<b>150</b>	<b>V. Other short-term assets</b>		<b>7,349,303,869</b>	<b>28,520,201,944</b>
151	1. Short-term prepaid expenses	V.12a	431,746,562	416,714,853
152	2. Deductible VAT	V.15	2,778,349,583	17,615,406,798
153	3. Taxes and other receivables to the State	V.15	4,139,207,724	10,488,080,293
<b>200</b>	<b>B. LONG-TERM ASSETS</b>		<b>979,898,422,741</b>	<b>1,052,828,985,413</b>
210	<b>I. Long-term receivables</b>		-	-
216	1. Other long-term receivables	V.5b	-	-
219	2. Long-term provision for doubtful debts		-	-
<b>220</b>	<b>II. Fixed assets</b>		<b>905,453,857,624</b>	<b>1,001,717,164,114</b>
221	1. Tangible fixed assets	V.8	903,718,382,620	999,623,997,446
222	- Historical costs		2,575,957,085,308	2,570,222,202,095
223	- Accumulated depreciation		(1,672,238,702,688)	(1,570,598,204,649)
227	2. Intangible fixed assets	V.9	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)
<b>230</b>	<b>III. Investment properties</b>		-	-
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>54,523,313,743</b>	<b>33,241,663,169</b>
241	1. Long-term work in progress		-	-
242	2. Construction in progress	V.10	54,523,313,743	33,241,663,169
<b>250</b>	<b>V. Long-term financial investments</b>		<b>8,078,002,346</b>	<b>8,392,345,979</b>
251	1. Investments in subsidiaries	0	10,000,000,000	10,000,000,000
254	2. Allowances for long-term investments	0	(1,921,997,654)	(1,607,654,021)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>11,843,249,028</b>	<b>9,477,812,151</b>
261	1. Long-term prepaid expenses	V.12b	11,843,249,028	9,477,812,151
268	2. Other long-term assets		-	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,566,091,058,326</b>	<b>1,559,883,661,075</b>



**DANANG WATER SUPPLY JOINT STOCK COMPANY**

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

**Balance Sheet (Cont'd)**

As at December 31, 2025

Code	RESOURCES	Notes	Dec 31, 2025	Jan 01, 2025
1	2	3	4	5
<b>300</b>	<b>C. LIABILITIES</b>		<b>669,871,615,875</b>	<b>790,606,491,278</b>
<b>310</b>	<b>I. Short-term liabilities</b>		<b>259,721,840,250</b>	<b>311,191,176,392</b>
311	1. Short-term trade payables	V.13	52,132,751,742	45,867,108,260
312	2. Short-term advances from customers	V.14	865,745,014	980,710,123
313	3. Taxes and other payables to government budget	V.15	12,510,061,636	7,142,123,949
314	4. Payables to employees	V.16	31,573,507,358	29,399,507,369
315	5. Short-term accrued expenses	V.17	2,142,901,290	2,207,585,966
318	6. Unearned revenue		1,215,342,467	-
319	7. Other short-term payables	V.19a	93,680,171,336	158,163,511,093
320	8. Short-term borrowings and finance lease liabilities	V.20a	60,444,104,136	60,483,921,067
322	9. Bonus and welfare fund		5,157,255,271	6,946,708,565
<b>330</b>	<b>II. Long-term liabilities</b>		<b>410,149,775,625</b>	<b>479,415,314,886</b>
337	1. Other long-term payables	V.18b	77,668,085,003	90,364,937,728
338	2. Long-term borrowings and finance lease liabilities	V.19b	326,006,491,200	384,575,177,736
343	3. Science and technology development fund		6,475,199,422	4,475,199,422
<b>400</b>	<b>D. OWNER'S EQUITY</b>		<b>896,219,442,451</b>	<b>769,277,169,797</b>
<b>410</b>	<b>I. Owner's equity</b>	V.21	<b>895,880,249,535</b>	<b>768,698,546,588</b>
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 investment funds		133,128,222,654	128,098,140,692
421	4. Undistributed profit after tax		174,117,878,616	51,966,257,631
421a	- Undistributed profit after tax brought forward		(7,813,767,031)	(36,706,845,696)
421b	- Undistributed profit after tax for the current year		181,931,645,647	88,673,103,327
<b>430</b>	<b>II. Other sources and funds</b>		<b>339,192,916</b>	<b>578,623,209</b>
431	1. Funding sources		-	-
432	2. Funds used for fixed asset acquisition		339,192,916	578,623,209
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,566,091,058,326</b>	<b>1,559,883,661,075</b>

Preparer

*Thuy*

NGUYEN THI THANH THUY

Chief Accountant

*Minh*

PHAM HONG MINH

DaNang City, March 11, 2026

General Manager



*Minh Nam*



## 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	<b>1. Revenues from sales and services rendered</b>	VI.1	774,253,058,664	644,393,679,634
02	2. Revenue deductions		-	-
10	<b>3. Net revenues from sales and services rendered</b>		774,253,058,664	644,393,679,634
11	4. Costs of goods sold	VI.2	434,047,404,100	414,969,792,705
20	<b>5. Gross revenues from sales &amp; services rendered</b>		340,205,654,564	229,423,886,929
21	6. Financial income	VI.3	25,483,140,316	24,900,564,519
22	7. Financial expenses	VI.4	24,055,013,753	29,553,088,349
23	- In which: Interest expenses		23,740,670,120	28,798,461,146
25	8. Selling expenses	VI.5.2	39,979,741,389	38,100,686,812
26	9. General administration expenses	VI.6	49,679,910,345	47,735,910,318
30	<b>10. Net profits from operating activities</b>		251,974,129,393	138,934,765,969
31	11. Other income	VI.7	9,786,218,267	5,138,302,526
32	12. Other expenses	VI.8	221,724,820	30,572,092
40	<b>13. Other profits</b>		9,564,493,447	5,107,730,434
50	<b>14. Total net profit before tax</b>		261,538,622,840	144,042,496,403
51	15. Current corporate income tax expenses	V.15	27,439,322,293	14,794,550,376
52	16. Deferred corporate income tax expenses		-	-
60	<b>17. Profits after corporate income tax</b>		234,099,300,547	129,247,946,027

Preparer



NGUYEN THI THANH THUY

Chief Accountant



PHAM HONG MINH

Da Nang City, March 11, 2026

General Manager



HO MINH NAM

**STATEMENT OF CASH FLOW**  
(Under 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
	<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>			
01	1. Profit before tax		261,538,622,840	144,042,496,403
	2. Adjustments for			
02	- Depreciation and amortisation	V.8, V.9	115,758,126,648	114,302,880,178
03	- Provisions	VI.4, VI.5	194,295,158	838,827,826
04	- Gain, loss on unrealize difference rate differences from revaluation of accounts derived from foreign currencies	VI.4, VI.5	-	(14,643,447)
05	- Gain, loss from investment activities		(25,480,529,622)	(24,866,101,533)
06	- Interest expenses	VI.4	23,740,670,120	28,798,461,146
08	3. Operating profit before adjustments to working capital		375,751,185,144	263,101,920,573
09	- Increase, decrease in accounts receivables		26,687,395,044	13,546,102,337
10	- Increase, decrease in inventories		(11,538,229,463)	(2,604,497,176)
11	- Increase, decrease in accounts payables (exclusive of interest payables, enterprise income tax payables)		(56,141,822,328)	(72,633,259,935)
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.15	(14,893,846,402)	-
16	- Other revenue from operating activities		-	-
17	- Other payments on operating activities		(15,964,553,294)	(16,728,371,128)
20	Net cash from operating activities		277,718,929,828	154,970,532,437
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Expenditures for purchase, construction of fixed assets		(66,106,852,807)	(38,858,202,529)
23	2. Expenditures on borrowing and purchase of debt instruments		(513,134,795,743)	(313,337,978,104)
24	3. Proceeds from lending or repurchase of debt instruments from		416,175,345,666	316,955,717,809
27	4. Proceeds from interests, dividends and distributed profits		24,604,904,238	27,501,627,175
30	Net cash from investing activities		(138,461,398,646)	(7,738,835,649)
	<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>			
33	1. Sums received from borrowings	V.19	1,875,417,600	-
34	2. Payment of loan principal	V.19	(60,483,921,067)	(61,944,423,952)
36	3. Dividends and interest paid to owners	V.21	(92,742,497,600)	(98,538,903,700)
40	Net cash from financing activities		(151,351,001,067)	(160,483,327,652)
50	Net cash flows during the fiscal year		(12,093,469,885)	(13,251,630,864)
60	Cash and cash equivalents at the beginning of fiscal year	V.1	50,896,601,474	64,133,588,891
61	Effect of foreign exchange difference		-	14,643,447
70	Cash and cash equivalents at the end of fiscal year	V.1	38,803,131,589	50,896,601,474

Preparer

NGUYEN THI THANH THUY

Chief Accountant

PHAM HONG MINH

DaNang City, March 11, 2026

General Manager



HO MINH NAM



## NOTES TO THE FINANCIAL STATEMENTS (UNCONSOLIDATED)

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 Financial Statements (unconsolidated) for the fiscal year ended as of December 31, 2025.

### I. NATURE OF OPERATIONS

#### 1. Forms of ownership

Danang 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 latest amendment was made on 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

Producing and trading in domestic water.

#### 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;
- 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 the construction of water supply and sewerage.

#### 4. Normal course of the business cycle

The Company's normal course of the business cycle is 12 months.

#### 5. The company's operational characteristics during the year have an impact on the 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 Company recognizes raw water purchase costs based



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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 Company 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. Corporate structure**

As on December 31, 2025 the Company has 02 dependent units company and 01 subsidiary. General information about the Company's subsidiaries and affiliates is as follows:

**Dependent units**

No.	Name	Address
1.	Danang Water Supply Project Management Unit	No. 57 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City
2.	Dawaco Construction Enterprise	No. 10 Trinh Cong Son, Danang City

**Subsidiary company**

Name	Address	Principal activities	Rate of benefit of Parent Company	The voting rights of the Parent Company
Danang 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	100,00%	100,00%

**7. Employees**

As on December 31, 2025, there are 510 persons who are working at the Company. (There are 528 persons as at January 1, 2025).

**II. THE FISCAL YEAR, THE CURRENCY USED IN ACCOUNTING****1. The fiscal year**

The Company's annual fiscal year starts on January 1 and ends on December 31.

This Financial Report is prepared for the fiscal year ended as of 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 Company applied the Vietnamese Accounting Standards, Vietnamese corporate accounting regime, which was guided under Circular No. 200/2014/TT-BTC dated 22/12/2014, Circular No. 53/2016/TT-BTC dated 21/03/2016 issued by the Ministry of Finance related to the preparation and presentation of financial statements.

Accordingly, the accompanying Balance sheet as on December 31, 2025, income statement, statement of cash flows and notes to financial statement for the fiscal year then ended and the use of these reports 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 financial position, results

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of operations and 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. 53/2016/TT-BTC dated 21/03/2016 as well as circulars guiding the implementation of accounting standards of the Ministry of Finance related to the preparation and presentation of financial statements.

**3. Form of accounting applied: Computer Accounting**

**IV. APPLICABLE ACCOUNTING POLICIES**

**1. Basis of preparing the financial statements**

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

The affiliated units have their own accounting work organization, dependent accounting. The financial statements of the whole Company are prepared on the basis of summarizing the financial statements of the affiliated units. Revenue and balances between subsidiaries are eliminated when preparing the financial statements.

These financial statements are the combined financial statements of the whole Company.

**2. Cash and cash equivalents**

Cash comprises cash on hand, cash at bank, cash in transit and cash equivalents.

Cash equivalents are short-term investments which are collectable 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.

**3. Financial investments**

***Held-to-maturity investments***

Investments are classified as held to maturity when the Company 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 Company 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.

***Loans***

Loans are stated at cost less allowance for doubtful debts. Provisions for bad debts of loans are made based on expected losses.



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***Investments in subsidiary***

Subsidiary is an enterprise which is controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in a subsidiary are initially recognized at historical cost, consisting of the purchase price or capital contribution plus directly investable costs. In the case of investments with non-monetary assets, the cost of the investment is recognized at the fair value of the non-monetary asset at the time it arises.

Dividends and profits for the periods before the investment is purchased are accounted for in the value of the investment itself. Dividends and profit for the periods after the investment is purchased is recognized as revenue. Dividends received in shares are only tracked by the increased number of shares, not recognized the value of shares received/recognized at par value.

Allowance for losses for investments in subsidiaries is made when the subsidiary suffers a loss with the allowance equal to the difference between the actually contributed capital of the parties in the subsidiary and the actual equity capital (X) with the ratio of the Company's capital contribution to the total actual contributed capital of the parties in the subsidiary. If the subsidiary is the subject of the Consolidated Financial Statements, the basis for determining the loss provision is the Consolidated Financial Statements.

Increase, decrease in the amount of allowance for impairment in investments in subsidiaries that need to be made at the balance sheet date is recognized in financial expenses.

**4. Receivables**

Receivables are presented at cost less allowance for doubtful debts.

The classify of trade receivables and other receivables is presented following this principle:

- Trade receivables include commercial receivables generating from purchase-sale related transactions between the Company 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 debts is made for each bad debt 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.

**5. Inventories**

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

Inventories' cost is determined that:

- Materials, 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.

## 6. Prepaid expenses

Prepaid expenses is 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 Company include:

### *Tools and instruments*

Cost of tools and instruments being put into use are amortized in accordance with the straight-line method for a period of not more than 36 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.

## 7. 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 Company 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 period.

When tangible 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.

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

<u>Kind of assets</u>	<u>Useful life (years)</u>
Buildings, structures	10 – 25
Machineries, equipment	06 – 15
Means of transportation and transmitters	06 – 15
Office equipment and furniture	04 – 10
Other fixed assets	06 - 12

## 8. Intangible fixed assets

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

The cost of tangible fixed assets comprises their purchase price and all the costs incurred by the Company 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 Company 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 Company by the time the software is put into use. The depreciation years of software types are as follows:

<u>Kind of assets</u>	<u>Useful life (year)</u>
Management software	04 - 05
Website	04
Accounting software	Fully depreciation

### **9. Construction in progress**

Construction expenses in progress reflect the cost directly attributing (including relevant interest expense suitable with the accounting policies of the Company) to the assets in the process of building, machinery and equipment being installed to serve the purpose of manufacturing, leasing and management, as well as costs related to the repair of fixed assets are performing. These assets are recorded at cost and are not amortized.

### **10. 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.
- Internal payables reflect accounts payable between superior units and affiliated units that do not have the legal status of dependent accounting.
- Other payables reflect the non-commercial elements, unrelated to selling - purchasing transactions, rendering of services.

### **11. Loans and finance lease liabilities**

Loans and finance lease liabilities are reflected at historical cost and classified into current liabilities and long-term liabilities when presented in the Financial Statement.

The Company 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 Company regularly has transactions.

### **12. Owners' equity**

#### ***The owner's contributed capital***

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



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***Capital surplus***

Capital surplus is recognized by the difference between the issuing price and the denomination 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 capital surplus.

***The owner's other funds***

The owner's other funds are formed by supplementing from the results of business operations, asset revaluation and the remaining value between the fair value of donated assets after subtracting payable tax (if any) related to these assets.

**13. 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.

**14. Recognition of revenue**

Revenue is recognized when the Company has the ability to receive certain economic benefits that can be reliably determined. Revenue are 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 selling goods and finished products***

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

- The Company has transferred most of risks and benefits associated with ownership of products, goods to the buyer.
- The Company no longer hold the right to manage goods as owners or the right to control goods.
- Revenue is determined with relative certainty.
- The Company 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 shareholders 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.

**15. Revenue deductions**

Revenue deductions are adjusted reductions of total revenue in the year, include: sale discount, devaluation of sale and sale returns.

**16. 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.

**17. 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....

**18. 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 Company.

**19. Borrowing costs**

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

Borrowing costs are recognized into expenses when incurred. Where the borrowing costs are directly related to the investment in construction or production of assets in progress need a long enough period (more than 12 months) to be put into use for the intended purpose or sold, these borrowing costs are capitalized. For separate loans for the construction of fixed assets, investment properties, interest is capitalized even if the construction period is less than 12 months. Income arising from temporary investment of loans is recorded at a decrease in the cost of related assets.

For general loans, which are used to invest in construction or production of assets in progress, the capitalized borrowing costs are determined by the capitalization ratio to the average accumulated cost arise for the investment in capital construction or manufacturing of that asset. Capitalization rates are calculated using weighted average interest rates on outstanding loans during the year, excluding separate loans to form a particular asset.



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**20. 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 Company 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 Company opens its account to receive investors' capital at the date of contribution.
  - For receivables: the buying rate of the commercial bank where the Company appoints its customer for making payment at the transaction time.
  - For payables: the selling rate of commercial bank where the Company 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 Company 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 Company opens its foreign currency accounts.
- For monetary items denominated in foreign currencies classified as other assets: the buying rate of the bank where the Company regularly has transactions..
- For monetary items denominated in foreign currencies classified as liabilities: the selling rate of the bank where the Company regularly has transactions.

**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 computed based on the taxable income. Taxable 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 transferred losses.

***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.

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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 these 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 Company 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 Company 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. 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.

**V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET (UNCONSOLIDATED)***Unit: VND***1. Cash and cash equivalents**

	31/12/2025	01/01/2025
Cash in hand	9,043,883	14,699,440
Cash at bank	13,794,087,706	50,881,902,034
Cash equivalents	25,000,000,000	-
Branch	25,000,000,000	-
<b>Total</b>	<b>38,803,131,589</b>	<b>50,896,601,474</b>



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**2. Held-to-maturity investments**

	31/12/2025	01/01/2025
<b>More than 3 months to 1 year term deposits</b>	<b>456,047,674,492</b>	<b>359,088,224,415</b>
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	85,000,000,000	50,000,000,000
- 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
- HCM City Development Commercial JS Bank - Da	-	30,000,000,000
- Nam A Commercial JS 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 Br:	20,000,000,000	-
- Saigon Thuong Tin Joint Stock Bank - Da Nang Branch	30,000,000,000	-
<b>Total</b>	<b>456,047,674,492</b>	<b>359,088,224,415</b>

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

**3. Short-term trade receivables**

	31/12/2025	01/01/2025
<b>Receivables from customers being related parties</b>	-	-
<b>Receivables from other customers</b>	<b>14,468,521,718</b>	<b>16,223,044,308</b>
Trung Nam Hue Crossroad BT Limited Company	4,090,711,000	4,129,593,002
Others	10,377,810,718	12,093,451,306
<b>Total</b>	<b>14,468,521,718</b>	<b>16,223,044,308</b>

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

**4. Short-term prepayment to suppliers**

	31/12/2025	01/01/2025
<b>Prepayments to related parties</b>	-	-
<b>Prepayments to other entities</b>	<b>7,993,785,762</b>	<b>1,886,001,013</b>
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	2,440,696,759	1,571,121,013
<b>Total</b>	<b>7,993,785,762</b>	<b>1,886,001,013</b>

As on December 31, 2025, the balance of short-term prepayments to suppliers determined to be bad debt

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is VND 955,081,263. The company 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**

	31/12/2025		01/01/2025	
	Historical cost	Allowance	Historical cost	Allowance
Receivables from related parties	-	-	-	-
Receivables from other entities	15,717,880,784	-	16,286,543,075	-
Accrued interest	9,655,366,391	-	8,779,741,007	-
Employee advance payment	1,535,274,800	-	2,001,477,808	-
Short-term deposits and pledges	712,212,080	-	1,190,078,000	-
Other receivables	3,815,027,513	-	4,315,246,260	-
<b>Total</b>	<b>15,717,880,784</b>	<b>-</b>	<b>16,286,543,075</b>	<b>-</b>

Deposits and short-term deposits are deposits to return the construction site according to the permit issued by the Department of Transportation of Da Nang City for construction.

As of December 31, 2025, the Company has no other receivables that are overdue or irrecoverable.

**6. Short-term allowances for doubtful debts**

	31/12/2025	01/01/2025
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
<b>Total</b>	<b>7,868,483,392</b>	<b>7,988,531,867</b>

**Statement of changes in allowances for short-term doubtful debts**

	31/12/2025	01/01/2025
Opening balance	7,988,531,867	7,904,331,244
Increasing	74,016,277	84,200,623
Decreasing	(194,064,752)	-
<b>Closing balance</b>	<b>7,868,483,392</b>	<b>7,988,531,867</b>



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**Notes to the financial statements (Cont'd)**

**7. Inventories**

	31/12/2025		01/01/2025	
	Historical cost	Allowance	Historical cost	Allowance
Raw materials	51,831,635,063	-	40,125,299,972	-
Tools and supplies	361,825,215	-	363,155,106	-
Work in progress	1,487,360,485	-	1,654,136,222	-
Finished goods	-	-	-	-
<b>Total</b>	<b>53,680,820,763</b>	<b>-</b>	<b>42,142,591,300</b>	<b>-</b>

- Raw materials are water industry materials such as pipes, clocks, flanges, water valves, faucets, rubber rings, and water treatment chemicals ...; materials used for construction and installation activities such as iron, steel, and sand; fuel used for motorcycles such as gasoline, oil, lubricant, and some other materials. At the end of this year, raw materials and raw materials inventory increased because the Company purchased materials but had not yet put them into construction for the projects it was working on.
- Tools and instruments are types of labor protection and hygiene tools.
- Work in progress is the value of uncompleted and untested grave construction works as of December 31, 2025.
- There is no stagnant, inferior-quality inventory on December 31, 2025.
- There is no inventory for collateral, mortgaged to ensure the debt as of December 31, 2025.

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Notes to the financial statements (Cont'd)

**8. Tangible fixed assets**

	Buildings and Architecture	Machinery and equipment	Means of transportation & transmitters	Office equipment	Tài sản cố định khác	Total
<b>Historical cost</b>						
Opening balance	207,700,322,209	153,981,693,471	2,199,001,880,754	8,397,148,314	1,141,157,347	2,570,222,202,095
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)
- Transfer of assets to the State (*)	-	-	(26,576,233,000)	-	-	(26,576,233,000)
- Other reductions	-	(1,159,333,883)	(485,780,307)	-	-	(1,645,114,190)
<b>Closing balance</b>	<b>210,234,156,489</b>	<b>160,072,600,117</b>	<b>2,195,564,000,046</b>	<b>8,461,205,554</b>	<b>2,109,088,857</b>	<b>2,575,957,085,308</b>
<b>Depreciation</b>						
Opening balance	163,479,403,286	100,158,460,969	1,299,570,572,011	6,771,767,824	618,000,559	1,570,598,204,649
Increasing in the year	5,779,419,943	12,268,059,330	96,610,158,717	497,863,056	94,933,938	115,250,434,984
Decreasing in the year	-	(1,159,333,883)	(12,450,603,062)	-	-	(13,609,936,945)
- Transfer of assets to the State (*)	-	-	(12,147,382,431)	-	-	(12,147,382,431)
- Other reductions	-	(1,159,333,883)	(303,220,631)	-	-	(1,462,554,514)
<b>Closing balance</b>	<b>169,258,823,229</b>	<b>111,267,186,416</b>	<b>1,383,730,127,666</b>	<b>7,269,630,880</b>	<b>712,934,497</b>	<b>1,672,238,702,688</b>
<b>Net book value</b>						
Opening balance	44,220,918,923	53,823,232,502	899,431,308,743	1,625,380,490	1,007,122,543	999,623,997,446
<b>Closing balance</b>	<b>40,975,333,260</b>	<b>48,805,413,701</b>	<b>811,833,872,380</b>	<b>1,191,574,674</b>	<b>1,396,154,360</b>	<b>903,718,382,620</b>

Cost of fixed assets that have depreciated fully are still using as of December 31, 2025: VND 1,231,270,679,530.

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

Carrying amount of fixed assets mortgaged for loans as of December 31, 2025: VND 683,126,543,259 (refer to Note V.19).



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**Notes to the financial statements (Cont'd)****9. Intangible fixed assets**

	<u>Accounting Software</u>	<u>Management Software</u>	<u>Total</u>
Historical cost			
Opening balance	54,000,000	11,684,575,951	11,738,575,951
Purchase	-	150,000,000	150,000,000
Decreasing during the period	-	-	-
Closing balance	<u>54,000,000</u>	<u>11,834,575,951</u>	<u>11,888,575,951</u>
Depreciation			
Opening balance	54,000,000	9,591,409,283	9,645,409,283
Depreciation during the period	-	507,691,664	507,691,664
Decreasing during the period	-	-	-
Closing balance	<u>54,000,000</u>	<u>10,099,100,947</u>	<u>10,153,100,947</u>
Net book value			
Opening balance	-	2,093,166,668	2,093,166,668
Closing balance	<u>-</u>	<u>1,735,475,004</u>	<u>1,735,475,004</u>

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

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

**10. Construction in progress**

	<u>Current year</u>	<u>Previous year</u>
<b>Capital construction</b>	<b>54,523,313,743</b>	<b>33,241,663,169</b>
- 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
<b>Total</b>	<u><b>54,523,313,743</b></u>	<u><b>33,241,663,169</b></u>

(\*) The value of assets mortgaged for loans as of December 31, 2025: VNĐ 1,117,411,729 (refer to Note V.19).

**11. Long-term financial investments**

	Dec 31, 2025			Jan 01, 2025		
	Historical cost	Allowance	Fair value	Historical cost	Allowance	Fair value
<b>Investments in Subsidiaries</b>						
Danang Water Supply Sewerage Construction Co., Ltd	10,000,000,000	(1,921,997,654)	8,078,002,346	10,000,000,000	(1,607,654,021)	8,392,345,979
<b>Total</b>	<b>10,000,000,000</b>	<b>(1,921,997,654)</b>	<b>8,078,002,346</b>	<b>10,000,000,000</b>	<b>(1,607,654,021)</b>	<b>8,392,345,979</b>

Fair value of the aforementioned long-term financial investments is due to lack of information on transaction prices, so the Company determines fair value of the investments equal to book value on the financial statements for the fiscal year ended as of December 31, 2025 of the above company.

Allowances for long-term financial investments are based on the actual equity in the financial statements for the fiscal year ended as of December 31, 2025 of invested companies.

**Additional information**

	Dec 31, 2025			Jan 01, 2025		
	Status of operation	Number of	% voting	Number of	%	% voting
<b>Investments in Subsidiaries</b>						
Danang Water Supply Sewerage Construction Co., Ltd	Temporarily suspended its operations	1.000.000	100,00%	1.000.000	100,00%	100,00%

Major transactions between the Company and its subsidiaries and associates during the period are presented in Note No. VIII.1.



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**Notes to the financial statements (Cont'd)**

**12. Prepaid expenses**

**a. Short-term**

	31/12/2025	01/01/2025
Insurance expense	118,472,000	281,583,351
Other short-term prepaid expenses awaiting allocation	313,274,562	135,131,502
<b>Total</b>	<b>431,746,562</b>	<b>416,714,853</b>

*Situation of increase, decrease of short-term prepaid expenses*

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

**b. Long-term**

	31/12/2025	01/01/2025
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
<b>Total</b>	<b>11,843,249,028</b>	<b>9,477,812,151</b>

*Situation of increase, decrease of long-term prepaid expenses*

	Current year	Previous year
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)
<b>Closing balance</b>	<b>11,843,249,028</b>	<b>9,477,812,151</b>

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**Notes to the financial statements (Cont'd)****13. Short-term trade payables**

	31/12/2025	01/01/2025
<b>Trade payables to related parties</b>	<b>3,424,691,672</b>	<b>3,424,691,672</b>
<i>(Refer to Notes No. VIII.1)</i>		
Danang Water Supply and Drainage One Member	3,424,691,672	3,424,691,672
<b>Trade payables to other entities</b>	<b>48,708,060,070</b>	<b>42,442,416,588</b>
Da Nang City Urban Infrastructure Management Center	9,258,901,260	14,568,808,506
Vietnam Urban Consulting & Investment Joint Stock	12,033,669,222	-
Construction Joint Stock Company No. 5	9,362,525,090	13,094,632,090
Others	18,052,964,498	14,778,975,992
<b>Total</b>	<b>52,132,751,742</b>	<b>45,867,108,260</b>

As of December 31, 2025, the Company has no liability due but not yet paid.

**14. Short-term prepayments from customers**

	31/12/2025	01/01/2025
<b>Prepayments from customers being related parties</b>	<b>-</b>	<b>-</b>
<b>Prepayments from other customers</b>	<b>865,745,014</b>	<b>980,710,123</b>
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 JSC	-	258,860,783
Others	452,154,216	308,258,542
<b>Total</b>	<b>865,745,014</b>	<b>980,710,123</b>

(\*) These are the construction works of water supply pipelines that are facing problem about the ground that are unconstructed.



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Notes to the financial statements (Cont'd)

**15. Taxes and other receivables, payables to States budget**

	Opening balance		Paid amounts		Closing balance	
	Receivables	Payables	Payable during the fiscal year	during the fiscal	Receivables	Payables
Value added tax	17,615,406,798	-	23,927,855,712	9,090,798,496	3,390,728,757	612,379,175
Corporate income tax	8,410,439,744	-	27,439,322,293	14,893,846,402	-	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	-
Other taxes	-	-	13,000,000	13,000,000	-	-
Fees and charges	-	6,769,131,699	97,289,652,806	96,702,551,391	-	7,356,233,114
<b>Total</b>	<b>28,103,487,091</b>	<b>7,142,123,949</b>	<b>156,726,976,956</b>	<b>130,173,109,485</b>	<b>6,917,557,307</b>	<b>12,510,061,636</b>

The Company'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 Company has paid value added tax (VAT) in accordance with deduction method. The tax rate apply for all activities in accordance with relevant regulations.

**Corporate income tax**

The company 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/QĐ-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/QĐ-TTg dated October 10, 2008 and consistent with the planning in Decision No. No. 9018/QĐ-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, sport and environment, judicial expertise (hereinafter collectively referred to as the field of socialization). Accordingly, the Company applies the CIT rate of 10% for production and business activities of clean water for daily life.

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



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Corporate income tax payable during the year includes current corporate income tax and corporate income tax paid on behalf of the State, determined as follows:

**Current corporate income tax (CIT)**

	Current year	Previous year
<b>Total accounting profits before corporate income tax</b>	<b>261,538,622,840</b>	<b>144,042,496,403</b>
Adjustment to taxable income	-	5,610,084,704
Increasing adjustment	3,179,839,117	5,624,728,151
- Set up a science and technology development fund	2,000,000,000	-
- Remuneration of non-executive Board of Directors	370,700,000	292,500,000
- Cost of handling backlog construction	-	10,817,795
- Raw water cost difference paid to the state	-	4,257,129,378
- Other improper expenses	809,139,117	1,055,850,337
- Gains due to reassessment of exchange rate differences at the end of the period of cash and receivables from the previous year	-	8,430,641
Decreasing adjustment	-	(14,643,447)
- Gains due to reassessment of exchange rate	-	(14,643,447)
<b>Total taxable income</b>	<b>264,718,461,957</b>	<b>149,652,581,107</b>
- Income from water industry	253,043,700,987	142,486,195,252
- Income from other activities	-	2,909,256,477
- Income from raw water cost difference paid to the state	-	4,257,129,378
<b>Total tax calculation income</b>	<b>264,718,461,957</b>	<b>149,652,581,107</b>
- Income from water industry	253,043,700,987	142,486,195,252
- Income from other activities	11,674,760,970	2,909,256,477
- Income from raw water cost difference paid to the state	-	4,257,129,378
<b>Science and technology fund appropriation part</b>	<b>2,000,000,000</b>	-
<b>Total tax calculation income excludes the setup</b>	<b>262,718,461,957</b>	<b>149,652,581,107</b>
- Income from water industry	251,043,700,987	142,486,195,252
- Income from other activities	11,674,760,970	2,909,256,477
- Income from raw water cost difference paid to the state	-	4,257,129,378
<b>Corporate income tax</b>	<b>27,439,322,293</b>	<b>15,681,896,696</b>
- Income from water industry (10%)	25,104,370,099	14,248,619,525
- Income from other activities (20%)	2,334,952,194	581,851,295
- CIT corresponding to the raw water cost difference paid to the State (20%)	-	851,425,876
<b>Current corporate income tax expense</b>	<b>27,439,322,293</b>	<b>15,681,896,696</b>
<b>In which:</b>		
- Current corporate income tax expenses arising in the period	27,439,322,293	14,830,470,820
- 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

**Land rental**

The Company must pay land rent for the land area being used including production and business land and non-agricultural land. Every location has a distinct price for a land rent unit. Paying land rent complies with the notice issued by the tax office.



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**Other taxes**

The Company has declared and paid under regulations.

**16. Payables to employees**

	31/12/2025	01/01/2025
Salary	31,573,507,358	29,399,507,369
<b>Total</b>	<b>31,573,507,358</b>	<b>29,399,507,369</b>

**17. Short-term accrued expenses**

	31/12/2025	01/01/2025
<b>Payables to related parties</b>	-	-
<b>Payables to other entities</b>	<b>2,142,901,290</b>	<b>2,207,585,966</b>
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 expenses	60,943,444	117,169,845
<b>Total</b>	<b>2,142,901,290</b>	<b>2,207,585,966</b>

**18. Other payables**

**a. Short-term**

	31/12/2025	01/01/2025
<b>Other payables to related parties</b> (Refer to Notes No. VIII.1)	<b>90,487,301,095</b>	<b>155,264,259,411</b>
<b>Other payables to other entities</b>	<b>3,192,870,241</b>	<b>2,899,251,682</b>
Saigon - Da Nang Investment Joint Stock Company	1,221,614,989	1,221,614,989
Short-term deposits received	9,502,920	-
Others	1,961,752,332	1,677,636,693
<b>Total</b>	<b>93,680,171,336</b>	<b>158,163,511,093</b>

**b. Long-term**

	31/12/2025	01/01/2025
<b>Other payables to related parties</b> (Refer to Notes No. VIII.1)	<b>64,392,446,164</b>	<b>80,490,446,164</b>
<b>Other payables to other entities</b>	<b>13,275,638,839</b>	<b>9,874,491,564</b>
Long-term deposits and guarantees received	13,275,638,839	9,874,491,564
<b>Total</b>	<b>77,668,085,003</b>	<b>90,364,937,728</b>

**19. Borrowings and finance lease liabilities**

**a. Short-term**

	Opening balance	Increase during the year	Paid during the year	Transferring from long-term loan	Closing balance
<b>Long-term loans due for repayment</b>	<b>60,483,921,067</b>				
- Danang City Investment and Development Fund (i)	22,724,800,000	-	(60,483,921,067)	60,444,104,136	60,444,104,136
- Joint Stock Commercial Bank for Investment and Development of Vietnam (ii)	2,775,704,931	-	(2,775,704,931)	22,724,800,000	22,724,800,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Danang Branch (iii)	9,873,820,000	-	(9,873,820,000)	2,735,888,000	2,735,888,000
- Shinhan Bank Vietnam Limited - Danang Branch (iv)	25,109,596,136	-	(25,109,596,136)	9,873,820,000	9,873,820,000
<b>Total</b>	<b>60,483,921,067</b>	<b>-</b>	<b>(60,483,921,067)</b>	<b>60,444,104,136</b>	<b>60,444,104,136</b>

**b. Long-term**

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



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(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 120,000m<sup>3</sup>/day; Divergence 1: increasing capacity by 60,000m<sup>3</sup>/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.8, V.10)
- Loan Agreement No. 01/2019/HĐTD dated 14/01/2019 for the execution of Project "Hoa Trung Lake Water Factory with the capacity of 10,000m<sup>3</sup>/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.8, V.10)
- Loan Agreement No. 14/2020/HĐTD dated 19/08/2020 for the project "Increasing the capacity of Cau Do Water Plant from 230,000 m<sup>3</sup>/day to 290,000 m<sup>3</sup>/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.8, V.10).
- 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.10)

(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 the investment in the construction of the D500 and D400 DI water pipeline project on Vo Nguyen Giap - Hoang Sa Street (from Hồ Xuân Hương Street to Nguyễn Phan Vinh). 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.8)

(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 August 3, 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.10).
- 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



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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.10).

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

- Loan contract No. SHBVN/DN/CR/HĐTD-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.10).
- Loan contract No. SHBVN/DN/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.10)



**20. Bonus and welfare fund**

	31/12/2025	01/01/2025
Bonus and welfare fund		
Reward fund for Management and Executive Board	5,142,255,271	6,800,215,100
	15,000,000	146,493,465
<b>Total</b>	<b>5,157,255,271</b>	<b>6,946,708,565</b>

The situation of setting up and using reward and welfare funds

	01/01/2025	Increase	Decrease	31/12/2025
Bonus and welfare fund				
Reward fund for Management and Executive Board	6,800,215,100	13,600,000,000	(15,257,959,829)	5,142,255,271
	146,493,465	575,100,000	(706,593,465)	15,000,000
<b>Total</b>	<b>6,946,708,565</b>	<b>14,175,100,000</b>	<b>(15,964,553,294)</b>	<b>5,157,255,271</b>

**21. Owner's equity**

**a. Statement of changes in owners' equity**

	Contributed capital	Capital surplus	Development and investment funds	Undistributed profit after tax	Total
Balance as at Jan 01, 2024	579,640,610,000	8,993,538,265	117,103,023,611	46,656,373,781	752,393,545,657
Increase during the year	-	-	10,995,117,081	129,247,946,027	140,243,063,108
Decrease during the year	-	-	-	(123,938,062,177)	(123,938,062,177)
<b>Balance as at Dec 31, 2024</b>	<b>579,640,610,000</b>	<b>8,993,538,265</b>	<b>128,098,140,692</b>	<b>51,966,257,631</b>	<b>768,698,546,588</b>
Balance as at Jan 01, 2025	579,640,610,000	8,993,538,265	128,098,140,692	51,966,257,631	768,698,546,588
Increase during the year	-	-	5,030,081,962	234,099,300,547	239,129,382,509
Decrease during the year	-	-	-	(111,947,679,562)	(111,947,679,562)
<b>Balance as at Dec 31, 2025</b>	<b>579,640,610,000</b>	<b>8,993,538,265</b>	<b>133,128,222,654</b>	<b>174,117,878,616</b>	<b>895,880,249,535</b>

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**b. Details of investment capital**

	31/12/2025		01/01/2025	
	contribution ratio (%)	Capital contribution	contribution ratio (%)	Capital contribution
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
<b>Total</b>	<b>100</b>	<b>579,640,610,000</b>	<b>100</b>	<b>579,640,610,000</b>

**c. Capital transactions with owners and dividend, profit distribution**

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

**d. Shares**

	31/12/2025 Shares	01/01/2025 Shares
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 (classified as equity)	-	-
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

**e. Undistributed profit after tax**

	Current year	Previous year
Profits brought forward	51,966,257,631	46,656,373,781
Profits after corporate income tax of current period	234,099,300,547	129,247,946,027
Profit distribution	111,947,679,562	123,938,062,177
Previous year's profit distribution	59,780,024,662	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	52,167,654,900	40,574,842,700
<b>Undistributed profit after tax (a)</b>	<b>174,117,878,616</b>	<b>51,966,257,631</b>



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**f. Dividend**

Resolution of the Annual General Meeting of Shareholders in 2025 No. 01/NQ- ĐHĐCĐ dated 18/04/2025 approved the plan to pay dividends in 2024 in cash is 14%, equivalent to VND 81,149,685,400. The Company has advanced the first dividend of 2024 in cash at 7% according to Board of Directors Resolution No. 08/NQ-HDQT dated 10/10/2024, equivalent to VND 40,574,842,700 in November 2024 and make payment the rest is 7% equivalent to VND 40,574,842,700 in May 2025.

The company has advanced the first round of dividends from 2025 profit after tax in cash at 9% according to Board of Directors Resolution No. 04/NQ-HDDQT dated September 04, 2025, equivalent to 52,167,654,900 VND in October 2025.

**22. Non – business funds used for fixed asset acquisitions**

	<b>31/12/2025</b>	<b>01/01/2025</b>
Opening balance	578,623,209	818,053,503
Depreciation for the year	(239,430,293)	(239,430,294)
<b>Non-business funds used for</b>	<b>339,192,916</b>	<b>578,623,209</b>

**23. Off-balance sheet accounts**

**Doubtful debts have been resolved**

	<b>31/12/2025</b>	<b>01/01/2025</b>
Doubtful debts have been resolved	616,548,230	444,333,718
<b>Total</b>	<b>616,548,230</b>	<b>444,333,718</b>

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

**1. Revenues from sales and services rendered**

**a. Revenues**

	Current year	Previous year
Revenue from water industry	769,255,381,249	640,211,211,200
Revenue from other activities	4,997,677,415	4,182,468,434
<b>Total</b>	<b>774,253,058,664</b>	<b>644,393,679,634</b>

**b. Revenues from related parties**

	Current year	Previous year
Revenue from water industry	28,062,855	28,066,246
<b>Total</b>	<b>28,062,855</b>	<b>28,066,246</b>

**2. Cost of goods sold**

	Current year	Previous year
Cost of goods sold from water industry	430,053,805,739	411,559,074,585
Cost of goods sold from other activities	3,993,598,361	3,410,718,120
<b>Total</b>	<b>434,047,404,100</b>	<b>414,969,792,705</b>

**3. Financial income**

	Current year	Previous year
Deposits, loans interest	25,480,529,622	24,885,855,766
Foreign exchange gain in payment	2,610,694	65,306
Foreign exchange differences revaluation at the end fiscal y	-	14,643,447
<b>Total</b>	<b>25,483,140,316</b>	<b>24,900,564,519</b>

**4. Financial expenses**

	Current year	Previous year
Deposits, loans interest	23,740,670,120	28,798,461,146
Foreign exchange gain in payment	314,343,633	754,627,203
<b>Total</b>	<b>24,055,013,753</b>	<b>29,553,088,349</b>



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**5. Selling expenses**

	Current year	Previous year
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
<b>Total</b>	<b>39,979,741,389</b>	<b>38,100,686,812</b>

**6. General administration expenses**

	Current year	Previous year
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	2,753,455,637
Allowances for doubtful debts	52,166,037	84,200,623
Set up a science and technology development fund	2,000,000,000	-
Costs of outsourced services	1,524,800,375	2,844,291,845
Other explicit expenses	13,275,292,792	15,780,868,575
<b>Total</b>	<b>49,679,910,345</b>	<b>47,735,910,318</b>

**7. Other income**

	Current year	Previous year
Use fixed assets formed from the R&D 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
Handling excess during an inventory check	-	556,802
Liquidation of used Larsen piles	6,370,352,932	-
Collecting penalties for breach of contract.	9,728,717	-
Other income	88,896,833	70,120,953
<b>Total</b>	<b>9,786,218,267</b>	<b>5,138,302,526</b>

**8. Other expenses**

	Current year	Previous year
Residual value of liquidated fixed assets	-	19,754,233
Liquidation of used Larsen piles	113,089,332	-
Handling backlog construction	-	10,817,795
Other expenses	108,635,488	64
<b>Total</b>	<b>221,724,820</b>	<b>30,572,092</b>

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**Notes to the financial statements (Cont'd)**

**9. Operating expenses according to elements**

	Current year	Previous year
Cost of raw materials	27,830,206,704	66,057,638,359
Employees cost	123,108,681,600	122,015,634,160
Fixed asset depreciation	115,011,004,691	114,302,880,178
Costs of outsourced services	138,129,731,576	105,465,501,961
Other cash expenses	13,285,409,526	26,951,704,541
<b>Total</b>	<b>417,365,034,097</b>	<b>434,793,359,199</b>

**10. Basis earnings per share, Diluted earnings per share**

According to the law of sections 3.19 and 3.20, Clause 3, Article 113 of Circular No. 200/2014/TT-BTC regulating the items basic earnings per share and diluted earnings per share presented in the public financial statements of the joint-stock company is an independent business. For the parent company that is a joint-stock company, this item is only presented in the Consolidated Financial Statements, not on the separate financial statements of the parent company. These are the separate financial statements of the Parent Company and therefore do not present figures for these two indicators.

**VII. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE STATEMENT OF CASH FLOWS (Unit: VND)**

**1. Proceeds from borrowings**

	Current year	Previous year
Proceeds from loans under ordinary contracts	1,875,417,600	-
<b>Total</b>	<b>1,875,417,600</b>	<b>-</b>

**2. Payment of loan principal**

	Current year	Previous year
Repayment of principal loans under ordinary contracts	60,483,921,067	61,944,423,952
<b>Total</b>	<b>60,483,921,067</b>	<b>61,944,423,952</b>



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**Notes to the financial statements (Cont'd)**

**VIII. OTHER INFORMATION**

**1. Information about related parties**

**a. Related parties**

<u>Name</u>	<u>Relationship</u>
People's Committee of Danang City	Investor
Danang - Mien Trung Investment Joint Stock Company	Investor
Danang Water Supply Sewerage Construction Co., Ltd	Subsidiary

**b. Transactions with related parties**

<u>Related party</u>	<u>Current year</u>	<u>Previous year</u>
People's Committee of Danang City		
- Raw water costs difference	-	4,257,129,378
- Dividend distribution	55,718,747,200	59,201,168,900
- Clean water infrastructure usage expense	11,276,945,529	14,693,486,666
- Repayment to the budget for capital according to Decision No. 8449/QD-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
Danang Water Supply Sewerage Construction Co., Ltd		
- Buying goods, service	-	(23,271,254)

**c. Balances with related parties**

<u>Related party</u>	<u>31/12/2025</u>	<u>01/01/2025</u>
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
Danang Water Supply Sewerage Construction Co., Ltd		
- Trade payables	3,424,691,672	3,424,691,672

(\*) As per the People's Committee of Da Nang City's Decision No. 8449/QD-UBND dated November 11, 2015, the Da Nang Water Supply Joint Stock Company is required to reimburse the state budget a portion of the capital invested in the assets of Da Nang Water Supply Company Limited. The total sum that needs to be paid is 241,470,446,164 VND, and the company will pay that amount in 15 years, or by December 2030, in installments. The Company will pay in four installments per year, totaling 4,024,500,000 VND for each installment.

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

No	Board of Directors	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 - 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 BOD	-	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
<b>Total</b>			<b>5,146,220,298</b>	<b>408,000,000</b>	<b>5,554,220,298</b>

No	Board of Directors	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
<b>Total</b>			<b>4,600,800,000</b>	<b>280,800,000</b>	<b>4,881,600,000</b>

**e. Bonus of Management Board**

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



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**2. Divisions Report**

In accordance with VAS 28 and this Circular guiding this Standard, the Company should prepare a Divisions Report. Accordingly, a division is a distinctly identifiable part of the Company that may be involved in the provision of related products or services (business lines) or product or service provider in a specific economic environment (geographic areas), each of these sectors bears risks and derives different economic benefits from the others. The Board of Directors of the Company assess that the Company operates in the main business division, which is the production and trading of the water industry and in 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	Construction in progress	131	9,584,158,311	10,488,080,293	903,921,982
2	Other short-term payables				
3	Undistributed profit after tax	141	60,101,555,466	51,966,257,631	(8,135,297,835)
4	- Undistributed profit after tax brought forward	152	170,605,362	(36,706,845,696)	(36,877,451,058)
5	- Undistributed profit after tax for the current year	312	59,930,950,104	88,673,103,327	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	446,905,518,509	414,969,792,705	(31,935,725,804)
2	Gross revenues from sales & services rendered	20	197,488,161,125	229,423,886,929	31,935,725,804
3	Net profits from operating activities	30	106,999,040,165	138,934,765,969	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	100,505,792,803	129,247,946,027	28,742,153,224

**DANANG WATER SUPPLY JOINT STOCK COMPANY**  
**FINANCIAL STATEMENTS (UNCONSOLIDATED)**

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

For the fiscal year ended as of December 31, 2025

**Notes to the financial statements (Cont'd)**

**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	231,166,194,769	263,101,920,573	31,935,725,804
3	- Increase, decrease in accounts payables (exclusive of interest payables, enterprise income tax payables)	11	(40,697,534,131)	(72,633,259,935)	(31,935,725,804)

**4. The Company's ability to continue as a going concern**

There are no factors that lead to the doubt about the possibility of the Company to continue as a going concern and the measures and commitments to ensure the Company's operation in the future.

**5. Subsequent events**

There have been no significant events occurring after the balance sheet date, which would require adjustments or disclosures to be presented in the financial statements (unconsolidated).

*Da Nang, March 11, 2026*

**Preparer**



**NGUYEN THI THANH THUY**

**Chief Accountant**



**PHAM HONG MINH**

**General Manager**



**HO MINH NAM**

