

*Ho Chi Minh City, April 17 2025*

Quarter 1/2025 and related explanations

## PERIODIC DISCLOSURE OF FINANCIAL STATEMENTS

To: - Hanoi Stock Exchange;  
- The State Securities Commission.

Comply with the provisions of Clause 3, Clause 4, Article 14 of Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding information disclosure on the securities market.

Ben Thanh Water Supply Joint Stock Company discloses information on the Financial Statements for the first Quarter of 2025 with the Hanoi Stock Exchange as follows:

1. Organization Name: Ben Thanh Water Supply Joint Stock Company

- Stock code: BTW
- Address: 194 Pasteur, Vo Thi Sau Ward, District 3, Ho Chi Minh City
- Phone: (028) 38 297 147 – 38 272 990 - Fax: (028) 38 229 778
- Email: capnuocbenthanh@vnn.vn – Website: www.capnuocbenthanh.com

2. Contents of information to be announced:

- Financial statements for the first quarter of 2025:

☒ Separate financial statements (Listed organization does not have subsidiaries and superior accounting units have affiliated units)

☐ Consolidated financial statements (Listed organization has subsidiaries)

☐ General financial statements (Listed organization has an accounting unit under the organization of its own accounting apparatus)

- Cases subject to explanation of causes:

+ The auditing organization gives an opinion that is not a unqualified opinion on the financial statements (for audited financial statements):

☐ Yes

☒ No

Written explanation in case of accumulation:

☐ Yes

☒ No

+ Profit after tax in the reporting period has a difference of 5% or more between before and after audit, shifting from loss to profit or vice versa (for audited financial statements 2023):

☐ Yes

☒ No

Written explanation in case of accumulation:

☐ Yes

☒ No

+ Profit after corporate income tax in the Income Statement of the reporting period changes by 10% or more compared to the report of the same period of the previous year:

☒ Yes

☐ No

Written explanation in case of accumulation:

☒ Yes

☐ No

+ Profit after tax in the reporting period suffers a loss, transferred from profit in the same reporting period of the previous year to loss in this period or vice versa:

☐ Yes

☒ No

Written explanation in case of accumulation:

☐ Yes

☒ No

This information has been published on the company's website on *April 17, 2025* at the link: <https://capnuocbenthanh.com/cong-bo-thong-tin/bao-cai-tai-chinh/>

3. Reporting transactions valued at 35% or more of total assets in Q1/2025: No

- Transaction content: No

- Proportion of transaction value/total asset value of the enterprise (%) (based on the latest year's financial statements): No

- Transaction completion date: No

4. Statement explaining profit after tax difference of 10% compared to the same period last year: attached

☒ Yes

☐ No

We would like to commit that the information published above is true and fully responsible before the law for the content of the disclosed information.

***Attachments:***

- Financial Statements of The first Quarter of 2025;
- Written explanation of profits after tax difference of 10%;

**Representative of the organization**

Legal Representative/Legal Representative  
(Signed, clearly stating full name, position, seal)

**DIRECTOR**

**(SIGNED)**

**Nguyen Doan Xa**





**SAIGON WATER CORPORATION  
BEN THANH WATER SUPPLY JSC**

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

*Regarding the explanation of the 10% profit  
difference compared to the same period last  
year*

*Hồ Chí Minh City, April 2025*

To: Hanoi Stock Exchange.

Pursuant to Circular 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding the disclosure of information on the stock market;

Ben Thanh Water Supply Joint Stock Company explained that the profit after corporate income tax on the Financial Statements of the first quarter of 2025 fluctuated by lower than 10% compared to the first quarter of 2024 as follows:

- Profit after tax in the first quarter of 2024 is: VND 23,918,147,808
- Profit after tax in the first quarter of 2025 is: VND 18,934,992,469

| No. | Items  | Q1 of 2025         | Q1 of 2024         | Year-over-year difference |
|-----|--|--------------------|--------------------|---------------------------|
| (1) | (2)  | (3)                | (4)                | (5)=(3)-(4)               |
| 1   | Revenue from sale of goods and rendering of services             | 134,084,326,985    | 138,512,335,640    | (4,428,008,655)           |
| 2   | Cost of goods sold and services rendered                         | 77,289,144,457     | 80,926,953,730     | (3,637,809,273)           |
| 3   | Gross profit/(loss) from sale of goods and rendering of services | 56,795,182,528     | 57,585,381,910     | (790,199,382)             |
| 4   | Finance income   | 130,810,368        | 217,289,950        | (86,479,582)              |
| 5   | Finance expenses   | 131,817,626        | 229,533,227        | (97,715,601)              |
|     | <i>In which: Interest expenses</i>                               | <i>131,817,626</i> | <i>229,533,227</i> | <i>(97,715,601)</i>       |
| 6   | Selling expenses   | 17,321,275,711     | 16,180,174,329     | 1,141,101,382             |
| 7   | General and administrative expenses                              | 16,171,346,109     | 11,534,400,690     | 4,636,945,419             |
| 8   | Operating profit/(loss)  | 23,301,553,450     | 29,858,563,614     | (6,557,010,164)           |
| 9   | Other income   | 367,189,386        | 42,453,679         | 324,735,707               |
| 10  | Other expenses   | 2,250              | 3,332,534          | (3,330,284)               |
| 11  | Other profit/(loss)  | 367,187,136        | 39,121,145         | 328,065,991               |
| 12  | Accounting profit/(loss) before tax                              | 23,668,740,586     | 29,897,684,759     | (6,228,944,173)           |
| 13  | Current corporate income tax expense                             | 4,733,748,117      | 5,979,536,951      | (1,245,788,834)           |
| 14  | Current corporate income tax expense                             | 18,934,992,469     | 23,918,147,808     | (4,983,155,339)           |



Profit after tax for the first quarter of 2025 decreased by VND 4,983,155,339 compared to the first quarter of 2024. The main reasons are as follows:

|      |  |
|------|--|
| (1)  | In Q1 2025, the volume of water consumption decreased by 415,084 m <sup>3</sup> , while the average selling price increased by VND 257.12 compared to Q1 2024, resulting in a decrease in net revenue from sales of goods and services by VND 4,428,008,655. |
| (2)  | Cost of goods sold decreased by VND 3,637,809,273 compared to Q1 2024.   |
| (3)  | The rate of decrease in revenue was more than the decrease in costs, resulting in a decrease in gross profit from sales of goods and services by VND 790,199,382.  |
| (4)  | Financial income in Q1 2025 decreased by VND 86,479,582 compared to Q1 2024 due to a reduction in term deposit contracts.  |
| (5)  | Financial expenses in Q1 2025 decreased by VND 97,715,601 compared to Q1 2024 due to a reduction in the outstanding loan principal of contracts.   |
| (6)  | Selling expenses increased by VND 1,141,101,382 due to higher expenses in Q1 2025 for repairing damaged pipelines to prevent water loss...   |
| (7)  | General and administrative expenses increased by VND 4,636,945,419 compared to Q1 2024 due to higher costs for outsourced services.  |
| (8)  | As a result of the above reasons, the Company's profit from business operations in Q1 2025 decreased by VND 6,557,010,164.   |
| (9)  | Other income in Q1 2025 increased by VND 324,735,707 compared to Q1 2024.  |
| (10) | Other expenses decreased by VND 3,330,284 compared to Q1 2024.   |
| (11) | From points (9) and (10), other income increased by VND 328,065,991.   |
| (12) | Profits from business operations decreased by VND 6,557,010,164, while   |
| (13) | other profits increased by VND 328,065,991, resulting in a decrease in   |
| (14) | total accounting profit before tax in Q1 2025 by VND 6,228,944,173 compared to Q1 2024. Consequently, corporate income tax in Q1 2025 decreased by VND 1,245,788,834.  |

The above are the main reasons affecting the Company's business performance in the first quarter of 2025.

Best regards.

**Attachments:**

- Financial Statements of the first quarter of 2025

**Representative of the organization**

Legal Representative/Legal Representative  
(Signed, clearly stating full name, position, seal)

**DIRECTOR**

**(SIGNED)**

**Nguyen Doan Xa**

## BALANCE SHEET

As at 31 March 2025

| ASSETS   | Code       | Notes    | As at                  | As at                  |
|--|------------|----------|------------------------|------------------------|
|  |            |          | 31/03/2025             | 01/01/2025             |
| <b>A - CURRENT ASSETS</b>                          | <b>100</b> |          | <b>151,925,379,345</b> | <b>178,097,486,297</b> |
| <b>I. Cash and cash equivalents</b>                | <b>110</b> | <b>5</b> | <b>65,295,082,517</b>  | <b>85,407,192,689</b>  |
| 1. Cash  | 111        |          | 60,295,082,517         | 80,407,192,689         |
| 2. Cash equivalents                                | 112        |          | 5,000,000,000          | 5,000,000,000          |
| <b>II. Short-term investments</b>                  | <b>120</b> | <b>6</b> | <b>41,100,000,000</b>  | <b>46,100,000,000</b>  |
| 3. Held-to-maturity investments                    | 123        |          | 41,100,000,000         | 46,100,000,000         |
| <b>III. Current accounts receivable</b>            | <b>130</b> |          | <b>14,887,647,410</b>  | <b>9,214,343,899</b>   |
| 1. Short-term trade receivables                    | 131        | 7        | 16,197,973,192         | 11,460,895,440         |
| 2. Short-term advances to suppliers                | 132        | 8        | 1,416,852,608          | 425,076,088            |
| 6. Other short-term receivables                    | 136        | 9        | 426,772,747            | 482,323,508            |
| 7. Provision for doubtful short-term receivables   | 137        |          | (3,153,951,137)        | (3,153,951,137)        |
| <b>IV. Inventories</b>                             | <b>140</b> |          | <b>23,768,452,643</b>  | <b>25,064,720,944</b>  |
| 1. Inventories                                     | 141        | 11       | 23,768,452,643         | 25,064,720,944         |
| 2. Provision for devaluation of inventories        | 149        |          | -                      | -                      |
| <b>V. Other current assets</b>                     | <b>150</b> |          | <b>6,874,196,775</b>   | <b>12,311,228,765</b>  |
| 1. Short-term prepaid expenses                     | 151        | 12       | 5,180,014,621          | 6,990,225,337          |
| 2. Value-added tax deductible                      | 152        | 18       | 1,510,423,050          | 3,968,957,750          |
| 3. Tax and other receivables from the State budget | 153        | 18       | 183,759,104            | 1,352,045,678          |
| <b>B - NON-CURRENT ASSETS</b>                      | <b>200</b> |          | <b>199,437,292,405</b> | <b>202,597,603,726</b> |
| <b>I. Long-term receivables</b>                    | <b>210</b> |          | <b>366,696,346</b>     | <b>366,696,346</b>     |
| 6. Other long-term receivables                     | 216        | 9        | 1,524,665,431          | 1,524,665,431          |
| 7. Provision for doubtful long-term receivables    | 219        |          | (1,157,969,085)        | (1,157,969,085)        |
| <b>II. Fixed assets</b>                            | <b>220</b> |          | <b>187,234,361,973</b> | <b>196,427,404,258</b> |
| 1. Tangible fixed assets                           | 221        | 13       | 185,294,177,416        | 194,346,970,559        |
| - Cost   | 222        |          | 496,567,275,530        | 495,807,472,999        |
| - Accumulated depreciation                         | 223        |          | (311,273,098,114)      | (301,460,502,440)      |
| 3. Intangible fixed assets                         | 227        | 14       | 1,940,184,557          | 2,080,433,699          |
| - Cost   | 228        |          | 6,592,603,520          | 6,592,603,520          |
| - Accumulated amortisation                         | 229        |          | (4,652,418,963)        | (4,512,169,821)        |
| <b>IV. Long-term assets in progress</b>            | <b>240</b> |          | <b>11,635,494,171</b>  | <b>5,576,579,738</b>   |
| 2. Construction in progress                        | 242        | 15       | 11,635,494,171         | 5,576,579,738          |
| <b>VI. Other long-term assets</b>                  | <b>260</b> |          | <b>200,739,915</b>     | <b>226,923,384</b>     |
| 1. Long-term prepaid expenses                      | 261        | 12       | 200,739,915            | 226,923,384            |
| <b>TOTAL ASSETS</b>                                | <b>270</b> |          | <b>351,362,671,750</b> | <b>380,695,090,023</b> |



## BALANCE SHEET

As at 31 March 2025

| RESOURCES   | Code       | Notes | As at                  | As at                  |
|---|------------|-------|------------------------|------------------------|
|   |            |       | 31/03/2025             | 01/01/2025             |
| <b>C - LIABILITIES</b>                            | <b>300</b> |       | <b>71,131,154,930</b>  | <b>119,398,565,672</b> |
| <b>I. Current liabilities</b>                     | <b>310</b> |       | <b>66,294,141,076</b>  | <b>113,553,690,951</b> |
| 1. Short-term trade payables                      | 311        | 16    | 29,511,091,518         | 66,528,204,283         |
| 2. Short-term advances from customers             | 312        | 17    | 1,991,933,350          | 1,869,994,097          |
| 3. Tax and other payables to the State budget     | 313        | 18    | 17,763,387,842         | 14,608,391,079         |
| 4. Payables to employees                          | 314        |       | 5,361,997,044          | 12,531,418,331         |
| 5. Short-term accrued expenses                    | 315        | 19    | 1,013,650,386          | 941,852,070            |
| 9. Short-term other payables                      | 319        | 20    | 5,042,528,845          | 3,852,275,509          |
| 10. Short-term loan and finance lease obligations | 320        | 21    | 4,031,843,468          | 4,031,843,468          |
| 12. Bonus and welfare fund                        | 322        | 22    | 1,577,708,623          | 9,189,712,114          |
| <b>II. Non-current liabilities</b>                | <b>330</b> |       | <b>4,837,013,854</b>   | <b>5,844,874,721</b>   |
| 6. Doanh thu chưa thực hiện dài hạn               | 336        |       |                        |                        |
| 8. Long-term loans and finance lease obligations  | 338        | 21    | 4,837,013,854          | 5,844,874,721          |
| <b>D - OWNERS' EQUITY</b>                         | <b>400</b> |       | <b>280,231,516,820</b> | <b>261,296,524,351</b> |
| <b>I. Capital</b>                                 | <b>410</b> |       | <b>280,231,516,820</b> | <b>261,296,524,351</b> |
| 1. Contributed charter capital                    | 411        | 23    | 93,600,000,000         | 93,600,000,000         |
| - Shares with voting rights                       | 411a       |       | 93,600,000,000         | 93,600,000,000         |
| 8. Investment and development fund                | 418        |       | 99,278,821,947         | 99,278,821,947         |
| 11. Retained earnings                             | 421        |       | 87,352,694,873         | 68,417,702,404         |
| - Undistributed earnings by the end of prior year | 421a       |       | 68,417,702,404         | 21,358,739,026         |
| - Undistributed earnings of current year          | 421b       |       | 18,934,992,469         | 47,058,963,378         |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>       | <b>440</b> |       | <b>351,362,671,750</b> | <b>380,695,090,023</b> |

(SIGNED)

(SIGNED)

(SIGNED)

TA THI KIEU VAN  
Preparer

NGUYEN HUU CUONG  
Chief Accountant

NGUYEN DOAN XA  
Director  
Ho Chi Minh City, April 17 2025

## INCOME STATEMENT

As at 31 March 2025

| ITEMS   | Code | Notes | Q1 of 2025<br>VND | Q1 of 2024<br>VND |
|---|------|-------|-------------------|-------------------|
| 1. Revenue from sale of goods and rendering of services             | 1    | 24    | 134,084,326,985   | 138,512,335,640   |
| 2. Deductions   | 2    | 24    | -                 | -                 |
| 3. Net revenue from sale of goods and rendering of services         | 10   | 24    | 134,084,326,985   | 138,512,335,640   |
| 4. Cost of goods sold and services rendered                         | 11   | 25    | 77,289,144,457    | 80,926,953,730    |
| 5. Gross profit/(loss) from sale of goods and rendering of services | 20   |       | 56,795,182,528    | 57,585,381,910    |
| 6. Finance income   | 21   | 26    | 130,810,368       | 217,289,950       |
| 7. Finance expenses   | 22   | 27    | 131,817,626       | 229,533,227       |
| In which: Interest expenses   | 23   |       | 131,817,626       | 229,533,227       |
| 8. Selling expenses   | 25   | 28    | 17,321,275,711    | 16,180,174,329    |
| 9. General and administrative expenses                              | 26   | 29    | 16,171,346,109    | 11,534,400,690    |
| 10. Operating profit/(loss)   | 30   |       | 23,301,553,450    | 29,858,563,614    |
| 11. Other income  | 31   | 30    | 367,189,386       | 42,453,679        |
| 12. Other expenses  | 32   | 31    | 2,250             | 3,332,534         |
| 13. Other profit/(loss)   | 40   |       | 367,187,136       | 39,121,145        |
| 14. Accounting profit/(loss) before tax                             | 50   |       | 23,668,740,586    | 29,897,684,759    |
| 15. Current corporate income tax expense                            | 51   | 18    | 4,733,748,117     | 5,979,536,951     |
| 16. Deferred tax income/(expense)                                   | 52   |       | -                 | -                 |
| 17. Net profit/(loss) after tax                                     | 60   |       | 18,934,992,469    | 23,918,147,808    |
| 18. Basic earnings/(loss) per share                                 | 70   |       | 2,023             | 2,555             |
| 19. Diluted earnings/(loss) per share                               | 71   |       | -                 | -                 |

(SIGNED)

(SIGNED)

(SIGNED)

TA THI KIEU VAN  
Preparer

NGUYEN HUU CUONG  
Chief Accountant

NGUYEN DOAN XA  
Director  
Ho Chi Minh City, April 17 2025



## CASH FLOW STATEMENT

(By indirect method)

For the accounting period ended 31 March 2025

| ITEMS   | Code Notes | Q1 of 2025<br>VND | Q1 of 2024<br>VND |
|---|------------|-------------------|-------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |            |                   |                   |
| 1. Profit/(loss) before tax   | 1          | 23,668,740,586    | 29,897,684,759    |
| 2. Adjustments for:   |            |                   |                   |
| - Depreciation and amortisation   | 2          | 9,952,844,816     | 9,453,751,250     |
| - Provisions/(reversal of provisions)   | 3          | -                 | (577,916,517)     |
| - (Profits)/losses from investing activities                                      | 5          | (130,810,368)     | (217,289,950)     |
| - Interest expenses   | 6          | 131,817,626       | 229,533,227       |
| 3. Operating profit/(loss) before changes in working capital                      | 8          | 33,622,592,660    | 38,785,762,769    |
| - (Increase)/decrease in receivables  | 9          | (2,362,756,210)   | (3,096,109,733)   |
| - (Increase)/decrease in inventories  | 10         | 1,296,268,301     | 2,584,922,706     |
| - Increase/(decrease) in payables (excluding interest, corporate income tax)      | 11         | (21,369,529,375)  | (8,149,064,029)   |
| - (Increase)/decrease in prepaid expenses   | 12         | 1,836,394,185     | 946,781,001       |
| - Interest paid   | 14         | (150,212,672)     | (260,969,483)     |
| - Corporate income tax paid   | 15         | (1,079,657,089)   | -                 |
| - Other cash inflows from operating activities                                    | 16         | 75,530,000        | 55,000,000        |
| - Other cash outflows for operating activities                                    | 17         | (7,687,533,491)   | (6,037,521,537)   |
| Net cash flows from/(used in) operating activities                                | 20         | 4,181,096,309     | 24,828,801,694    |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |            |                   |                   |
| 1. Purchase and construction of fixed assets and other long-term assets           | 21         | (28,725,502,755)  | (17,318,734,254)  |
| 2. Proceeds from disposals of fixed assets and other long-term assets             | 22         | -                 | -                 |
| 3. Loans to other entities and payments for purchase of debt instruments of other | 23         | (3,000,000,000)   | -                 |
| 4. Collections from borrowers and proceeds from sale of debt instruments of other | 24         | 8,000,000,000     | 10,000,000,000    |
| 7. Interest and dividends received  | 27         | 447,084,341       | 554,858,444       |
| Net cash flows from/(used in) investing activities                                | 30         | (23,278,418,414)  | (6,763,875,810)   |



## CASH FLOW STATEMENT

(By indirect method)

For the accounting period ended 31 March 2025

### III. CASH FLOWS FROM FINANCING ACTIVITIES

|   |           |                         |                        |
|---|-----------|-------------------------|------------------------|
| 3. Drawdown of borrowings                                       | 33        | -                       | -                      |
| 4. Repayment of borrowings                                      | 34        | (1,007,860,867)         | (1,007,860,867)        |
| 6. Dividends paid/Profit distributed                            | 36        | (6,927,200)             | (10,115,000)           |
| <b>Net cash flows from/(used in) financing</b>                  | <b>40</b> | <b>(1,014,788,067)</b>  | <b>(1,017,975,867)</b> |
| <b>Net increase/(decrease) in cash for the period</b>           | <b>50</b> | <b>(20,112,110,172)</b> | <b>17,046,950,017</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>60</b> | <b>85,407,192,689</b>   | <b>98,272,973,450</b>  |
| Impact of exchange rate fluctuation                             | 61        | -                       | -                      |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>70</b> | <b>65,295,082,517</b>   | <b>115,319,923,467</b> |

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(SIGNED)

TA THI KIEU VAN  
Preparer

NGUYEN HUU CUONG  
Chief Accountant

NGUYEN DOAN XA  
Director  
Ho Chi Minh City, April 17 2025

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 1. ENTERPRISE INFORMATION

#### 1.1. FORM OF OWNERSHIP

Ben Thanh Water Supply Joint Stock Company ("the Company") is an equitized enterprise from the State enterprise – Ben Thanh Water Supply Branch, a dependent accounting unit of Saigon Water Supply Corporation - One Member Limited under Decision No. 6652/QĐ-UBND dated December 30, 2005 of the People's Committee of Ho Chi Minh City. The company operates under the Enterprise Registration Certificate No. 4103005880 first registered on January 8, 2007, under the Joint Stock Company Registration Certificate No. 0304789925 (changed from No. 4103005880) registered for the 7th change on December 29, 2021 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Company's charter capital as of 31/03/2025 and 01/01/2025 is VND 93,600,000,000, equivalent to 9,360,000 shares with a par value of VND 10,000/share.

The Company's shares are accepted for listing on the Hanoi Stock Exchange with the stock code BTW and the first trading day is November 14, 2017.

The Company's head office is located at 194 Pasteur, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam.

#### 1.2. FIELDS

The Company's business field is trade and services.

#### 1.3. BUSINESS LINES

According to the business registration certificate, the Company's business lines are:

- Manage and develop the water supply, supply and trading system of clean water for consumption and production needs;
- Construction of water supply works;
- Reconstruction of road surfaces for specialized water supply works and other works;
- Consulting on the construction of water supply works, civil-industrial works;
- Design and construction of water supply and drainage works;
- Design and construction of urban technical infrastructure works;
- Formulation and management of projects on water supply and drainage works and urban technical infrastructure works;
- Supervise the construction of water supply and drainage works;
- Topographic survey of construction works;
- Wholesale of measuring equipment and instruments for the water supply industry;
- Wholesale of materials and equipment installed in construction;
- Real estate business;
- Rental of motor vehicles;
- Rental of construction machinery and equipment.

During the year, the Company's main activities are the management and development of water supply systems, supply and trading of clean water for consumption and production needs; Construction of water supply works; Reconstruction of road surfaces for specialized works of water supply and other works.

#### 1.4. TYPICAL PRODUCTION AND BUSINESS CYCLE

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



## **NOTES TO THE FINANCIAL STATEMENTS**

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### **1.5. STATEMENT ON THE COMPARABILITY OF INFORMATION IN THE FINANCIAL STATEMENTS**

The figures presented in the Financial Statements for the accounting period ended March 31, 2025 are comparable with the corresponding figures of the previous period.

### **1.6. Employees**

As of March 31, 2025, the total number of employees of the Company is 236 people.

## **2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**

### **2.1. FISCAL YEAR**

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

### **2.2. ACCOUNTING CURRENCY**

The currency used in accounting is the Vietnam Dong (VND) because the revenue and expenditure are mainly carried out in the VND currency.

## **3. APPLICABLE ACCOUNTING STANDARDS AND REGULATIONS**

### **3.1. APPLICABLE ACCOUNTING STANDARDS AND REGULATIONS**

Financial statements are prepared and presented in accordance with the Corporate Accounting Regime issued under Circular No. 200/2014/TT-BTC dated December 22, 2014 and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance and Accounting Standards of Vietnam.

The Company applies accounting standards and accounting regimes for Vietnamese enterprises promulgated under Circular No. 200/2014/TT-BTC dated December 22, 2014 and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance and other circulars guiding the implementation of Vietnamese accounting standards of the Ministry of Finance in the preparation and presentation of reports finance.

### **3.2. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS AND REGULATIONS**

The Board of Directors of the Company ensures that it has complied with the requirements of accounting standards, the accounting regime for Vietnamese enterprises issued under Circular No. 200/2014/TT-BTC, Circular 53/2016/TT-BTC as well as circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation of financial statements.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 BASIS OF PREPARATION**

Financial statements are made on the basis of accrual accounting (except for information related to cash flows).

### **4.2 CASH AND CASH EQUIVALENTS**

Money includes cash, demand bank deposits, and money in transit. Cash equivalents are short-term investments with a payback period of no more than 3 months from the date of investment, which are easily convertible into a specified amount of money and there is no risk of conversion into cash at the time of reporting.

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 4.3 FINANCIAL INVESTMENTS

#### INVESTMENTS HELD TO MATURITY

An investment is classified as holding to maturity when the Company intends and is able to hold it to maturity. Investments held to maturity include: term bank deposits and loans held to maturity for the purpose of earning periodic interest and other investments held to maturity.

Investments held to maturity are initially recorded at the original price including the purchase price and the costs associated with the purchase of investments. After initial recognition, these investments are recognized at recoverable value. Interest income from investments held up to maturity after the purchase date shall be recorded on the Statement of Business Results on an estimated basis. The interest enjoyed before the Company holds is recorded as deducted from the original price at the time of purchase.

When there is solid evidence that part or all of the investment may be irretrievable and the amount of the loss is reliably determined, the loss is recorded in the financial expense of the period and directly deducted from the value of the investment.

When liquidating an investment, the difference between the net liquidation value and the book value is accounted for in income or expenses.

### 4.4 ACCOUNTS RECEIVABLE

Receivables are reflected at the principal price minus the provision for bad debts.

The classification of receivables as customer receivables and other receivables shall be carried out according to the following principles:

- Customer receivables reflect receivables of a commercial nature arising from transactions of a buy-sell nature between the Company and the buyer who is an independent unit from the Company.
- Other receivables reflect receivables that are not commercial in nature, not related to purchase and sale transactions.

Provision for bad debts represents the expected value of losses due to unpaid receivables incurred by customers against the balance of receivables at the time of making the balance sheet. The setting up or reimbursement of the provision for bad debts shall be recorded in the enterprise's management expenses on the statement of business results.

### 4.5 INVENTORY

Inventory is recorded at a lower price between the original price and the net realizable value.

The cost of inventory includes the cost of purchase and other directly related costs incurred to obtain inventory in its current location and state.

The net realizable value is the estimated selling price of the inventory in the normal production and business period minus the estimated cost of completing the products and the estimated cost necessary for their consumption.

The value of inventories is calculated according to the weighted average method and is accounted according to the regular declaration method.

Provisions for inventory depreciation are recorded when the cost price is greater than the net realizable value.

Provision for inventory shall be set aside for the expected value of losses due to possible depreciation of supplies, finished products, and inventory goods under the Company's ownership (price reduction, poor



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

quality, obsolescence, etc.) based on reasonable evidence of a decrease in value at the end of the fiscal year. These increases or decreases are recorded in the cost of goods sold on the statement of business results.

### 4.6 PREPAID EXPENSES

Prepaid expenses include short-term or long-term prepaid expenses on the balance sheet and are allocated over the prepaid period of the expense corresponding to the economic benefits generated from these expenses.

The Company's prepaid expenses include the following expenses:

- Tools and instruments include assets held by the Company for use in the course of normal business activities, with the historical cost of each asset being less than VND 30 million and therefore not eligible to be recognized as fixed assets according to current regulations. The historical cost of tools and tools shall be allocated according to the straight-line method in a period of 01n.m.;
- Life insurance contracts purchased for officers and employees of the company have an insurance term and an allocation period of 01 year from the date of premium payment.
- The Bravo accounting software maintenance contract has an insurance term and an allocation period of 03 years from the date of payment.
- The autocad software renewal contract has an term and an allocation period of 03 years from the date of payment.
- Costs for basic construction works in 2024 and the allocation period is 03 years from the date of acceptance report.

### 4.7 TANGIBLE FIXED ASSETS

Tangible fixed assets are expressed at historical cost minus accumulated wear and tear.

The historical cost of tangible fixed assets includes all costs incurred by the Company to acquire fixed assets up to the time of putting them in a ready-to-use state. Expenses incurred after the initial recognition shall only be recorded as an increase in the historical cost of a fixed asset if these expenses are certain to increase future economic benefits due to the use of such assets. Expenses incurred that do not satisfy the above conditions are recorded as production and business expenses in the year.

When selling or liquidating assets, the historical cost and accumulated depreciation value of the assets are written off in the financial statements and any gains and losses arising from the liquidation are accounted for in the statement of business results.

Depreciation of tangible fixed assets is calculated according to the straight-line depreciation method according to the estimated useful life of assets as follows:

|                                      | Number of years |
|--------------------------------------|-----------------|
| Houses and architectural objects     | 05 – 25         |
| Machinery and equipment              | 05 – 06         |
| Means of transport and transmission  | 06 – 10         |
| Management equipment and instruments | 05              |

### 4.8 INTANGIBLE FIXED ASSETS

Intangible fixed assets are expressed at historical cost minus the accumulated wear and tear value.

The historical cost of intangible fixed assets includes all costs that the Company must incur to acquire fixed assets up to the time of putting such assets into a state of readiness for use. Expenses related to intangible fixed assets incurred after initial recognition are recognized as production and business

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

expenses in the period unless these expenses are associated with a specific intangible fixed asset and increase the economic benefits from these assets.

When intangible fixed assets are sold or liquidated, the historical cost and accumulated depreciation value are wiped out and profits and losses arising from liquidation are recorded in income or expenses in the year.

The Company's intangible fixed assets include:

### *Computer Software*

The purchase price of computer software that is not a part attached to the hardware involved is capitalized. The cost of computer software is the total cost that the Company has incurred up to the time of putting the software into use. Computer software is depreciated in a straight line method within 5 years.

## 4.9 LIABILITIES AND EXPENSES PAYABLE

Liabilities and expenses payable are recognized for future amounts payable in relation to goods and services received. Costs to be paid are recorded based on reasonable estimates of the amount to be paid.

The classification of payables as payables to sellers, payable expenses and other payables shall be carried out according to the following principles:

- Seller payables reflect payables of a commercial nature arising from the purchase of goods, services, assets and the seller is an independent entity from the Company.
- Expenses payable reflect amounts payable for goods and services received from sellers or provided to buyers but not yet paid due to lack of invoices or insufficient accounting records and documents and amounts payable to employees in terms of leave wages, production and business expenses must be deducted in advance.
- Other payables reflect payables that are not commercial in nature, not related to the purchase, sale or provision of goods and services.

## 4.10 PAYROLL DEDUCTIONS

Social insurance is deducted from the salary under the labor contract into the cost of 17.5% and minus the salary of officials and employees is 8%.

Health insurance is deducted from salaries at 3% and deducted from salaries at 1.5%.

Unemployment insurance is deducted from salaries to expenses of 1% and deducted from salaries of officials and employees at 1%.

Trade union funds are deducted from salaries to expenses of 2%.

## 4.11 EQUITY

### *Shareholders' equity*

The owner's contributed capital is recorded according to the actual capital contributed by shareholders.

### *Share premium*

The surplus of share capital is recorded according to the difference between the issuance price and the par value of the shares at the time of initial issuance, additional issuance, the difference between the reissue price and the book value of treasury shares and the capital component of convertible bonds at maturity. Direct expenses related to the additional issuance of shares and the re-issuance of treasury shares are recorded as a decrease in the surplus of share capital.



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 4.12 PROFIT DISTRIBUTION

Profit after corporate income tax is distributed to shareholders after setting up funds according to the Charter of the Parent Company as well as the provisions of law and approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered to be non-monetary items included in undistributed after-tax profits, which may affect cash flow and the ability to pay dividends such as interest from revaluation of assets brought for capital contribution, interest from revaluation of monetary items, etc financial instruments and other non-monetary items.

Dividends are recorded as liabilities when approved by the General Meeting of Shareholders.

### 4.13 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the after-tax profit allocated to shareholders owning the Company's ordinary shares by the weighted average number of outstanding ordinary shares in the period.

### 4.14 REVENUE

#### Sales revenue

Sales revenue is recognized when all five (5) of the following conditions are satisfied at the same time:

- (a) The company has transferred most of the risks and benefits associated with ownership of the product or goods to the buyer;
- (b) The company no longer holds the right to manage the goods as the owner of the goods or the right to control the goods;
- (c) Revenue is determined relatively certainly;
- (d) The company has obtained or will derive economic benefits from the sale; and
- (e) Determine the costs associated with the sale.

#### Revenue from service provision

The revenue of a service provision transaction is recognized when the outcome of the transaction is reliably determined. In case the service is performed in many periods, the turnover recorded in the period shall be based on the results of the completed work on the end of the accounting period. The result of a transaction for the provision of services is determined when all of the following conditions are met:

- Revenue is determined relatively certainly.
- There is a possibility of obtaining economic benefits from the transaction of providing such services.
- Identify the completed work on the end of the accounting period.
- Determine the costs incurred for the transaction and the costs to complete the transaction to provide such services.

#### Interest

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

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 4.15 BORROWING COSTS

Borrowing costs include loan interest and other expenses incurred directly related to the loan. Borrowing costs are recorded in financial expenses for the year unless borrowing costs directly related to the investment in construction or production of unfinished assets are included in the value of such assets (capitalized). The capitalization of borrowing costs will cease when the main activities necessary for the preparation of the unfinished asset for use or sale have been completed.

### 4.16 CORPORATE INCOME TAX

Corporate income tax expenses include current corporate income tax and deferred corporate income tax.  
*Current Income Tax*

Current income tax is a tax calculated based on taxable income. The difference between taxable income and accounting profits is due to the adjustment of temporary differences between taxes and accounting, non-deductible expenses as well as adjustments for non-taxable income and forwarded losses.

#### *Deferred income tax*

Deferred income tax is the amount of corporate income tax that will be payable or will be refunded due to a temporary difference between the book value of assets and liabilities for the purpose of making financial statements and income tax calculation bases. Deferred income tax payable is recognized for all taxable temporary differences. Deferred income tax assets are recognized only when it is certain that there will be a taxable profit in the future to use these deductible temporary differences.

The book value of the deferred corporate income tax asset is reviewed again at the end of the accounting period and will be recorded down to the extent that there is sufficient taxable profit to allow the benefit of part or all of the deferred income tax asset to be used. Previously unrecognized deferred corporate income tax assets are reviewed at the end of the accounting period and recognized when there is sufficient taxable profit to be able to use these unrecognized deferred income tax assets.

Deferred income tax assets and deferred income tax payable are determined at the projected tax rate that will apply to the year in which the recovered asset or liability is paid based on the tax rates in effect at the end of the accounting period. Deferred income tax is recorded in the Statement of Business Results and is recorded directly in equity only when the tax relates to items recorded directly in equity.

Deferred income tax assets and deferred income tax liabilities payable shall be cleared when:

- The company has the legal right to offset the current income tax assets with the current income tax payable; and
- These deferred income tax assets and deferred income tax payable are related to corporate income tax administered by the same tax authority:
  - For the same taxable unit; or
  - The company intends to pay the applicable income tax payable and the applicable income tax assets on a net basis or recover the assets concurrently with the payment of liabilities in each future period when the material amounts of the deferred income tax payable or the deferred income tax assets are paid or recovered.

The Company's tax reports will be checked by the tax authorities. Due to the application of tax laws to each type of business and the interpretation, understanding and approval in many different ways, the figures of financial statements may differ from those of tax authorities.

### 4.17 SEGMENT REPORTING

A segment by line of business is a distinguishable division of an enterprise engaged in the production or provision of individual products or services, a group of related products or services to which this division bears risks and economic benefits that differ from other divisions of the business.



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

A geographical division is a distinguishable part of an enterprise engaged in the process of producing or providing products and services within a specific economic environment to which this division is subject to different economic risks and economic benefits from business divisions in other economic environments

### 4.18 FINANCIAL INSTRUMENTS

#### Initial Recognition

##### *Financial assets*

At the date of initial recognition, financial assets are recorded at the original price plus transaction costs directly related to the procurement of such financial assets.

The Company's financial assets include cash and cash equivalents, client receivables and other receivables.

##### *Financial debt*

On the date of initial recognition, financial debts are recorded at the principal price minus transaction expenses directly related to the issuance of such financial debts.

The Company's financial liabilities include seller payables and other payables, debts and loans.

#### Re-evaluation after initial attribution

Currently, there is no regulation on the re-evaluation of financial instruments after initial recognition.

### 4.19 RELATED PARTIES

Parties are deemed to be relevant if they have control or influence over the other party in decision-making on financial and operational policies. The Company's stakeholders include:

- Businesses that directly or indirectly through one or more intermediaries control the Company or are under the control of, or share control with, the Company, including the parent company, subsidiaries and associated companies;
- Individuals who directly or indirectly hold voting rights of the Company that have a significant influence on the Company, key management personnel of the Company, close family members of these individuals;
- Enterprises in which the above-mentioned individuals directly or indirectly hold an important part of the voting rights or have an influence on these enterprises.

In considering each relationship of related parties for the preparation and presentation of the Financial Statements, the Company pays attention to the nature of the relationship as the legal form of such relationships.

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 5. CASH AND CASH EQUIVALENTS

|                  | 31/03/2025            | 01/01/2025            |
|------------------|-----------------------|-----------------------|
|                  | VND                   | VND                   |
| Cash             | 355,061,247           | 130,957,501           |
| Cash at bank     | 59,940,021,270        | 80,276,235,188        |
| Cash equivalents | 5,000,000,000         | 5,000,000,000         |
|                  | <b>65,295,082,517</b> | <b>85,407,192,689</b> |

### 6. FINANCIAL INVESTMENTS

|              | 31/03/2025            | 01/01/2025            |
|--------------|-----------------------|-----------------------|
|              | VND                   | VND                   |
| Short-term   |                       |                       |
| Term deposit | 41,100,000,000        | 46,100,000,000        |
|              | <b>41,100,000,000</b> | <b>46,100,000,000</b> |

### 7. SHORT-TERM TRADE RECEIVABLES

|  | 31/03/2025            | 01/01/2025            |
|--|-----------------------|-----------------------|
|  | Amount                | Amount                |
|  | VND                   | VND                   |
| <b>Related parties</b>   |                       |                       |
| Saigon Water Corporation   | 210,680,993           | 210,680,993           |
| <b>Other customers</b>   |                       |                       |
| + Additional water bill arrears according to the State Audit in 2017 | 1,999,585,500         | 1,999,585,500         |
| + Customers using other countries                                    | 13,987,706,699        | 9,250,628,947         |
|  | <b>16,197,973,192</b> | <b>11,460,895,440</b> |

### 8. SHORT-TERM ADVANCES TO SUPPLIERS

|   | 31/03/2025           | 01/01/2025         |
|---|----------------------|--------------------|
|   | VND                  | VND                |
| Thien Phu Water Supply Sewerage Construction Investment Corporation           | 921,315,100          | 169,226,100        |
| Ho Chi Minh City Branch of Enterprise Management Software Joint Stock Company | 75,600,000           | 75,600,000         |
| Tri Anh Solutions Technology Company Limited                                  | 237,000,000          | -                  |
| Other   | 182,937,508          | 180,249,988        |
|   | <b>1,416,852,608</b> | <b>425,076,088</b> |



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 9. OTHER RECEIVABLES

|  | 31/03/2025           |                        | 01/01/2025           |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | Amount               | Provision              | Amount               | Provision              |
|  | VND                  | VND                    | VND                  | VND                    |
| <b>Short-term</b>  |                      |                        |                      |                        |
| Advance  | 257,055,314          | -                      | -                    | -                      |
| Interest receivable  | 164,942,191          | -                      | 481,216,164          | -                      |
| VAT pending declaration  | 128,896              | -                      | 713,622              | -                      |
| Other receivables  | 4,646,346            | -                      | 393,722              | -                      |
|  | <b>426,772,747</b>   | <b>-</b>               | <b>482,323,508</b>   | <b>-</b>               |
| <b>Long-term</b>   |                      |                        |                      |                        |
| Deposits   | 366,696,346          | -                      | 366,696,346          | -                      |
| Receivables related to the embezzlement of water fee collections (i) | 1,157,969,085        | (1,157,969,085)        | 1,157,969,085        | (1,157,969,085)        |
|  | <b>1,524,665,431</b> | <b>(1,157,969,085)</b> | <b>1,524,665,431</b> | <b>(1,157,969,085)</b> |

(i) This amount represents the outstanding receivable related to the embezzlement of water utility funds by Mr. Le Trung Huy, which was discovered in July 2013. On 21 April 2016, the People's Court of Ho Chi Minh City issued Appellate Criminal Judgment No. 168/2016/HIS-PT, upholding the decision of the first-instance criminal court and ordering Mr. Le Trung Huy to compensate the Company for the said amount.

On 27 June 2022, the Company sent Official Letter No. 1464/CNBT-TCHC to the Civil Judgment Enforcement Sub-department of Tan Binh District regarding the enforcement of the judgment against Mr. Le Trung Huy. The Sub-department acknowledged the Company's request as a basis for resolving the enforcement case. However, as of the date of preparation of the financial statements, the Company has not received any specific notice regarding the timing and method of recovering the amount. Based on the current available information, the Company is unable to determine the recoverability or the amount expected to be recovered. Accordingly, the Company has made a full provision (100%) for the doubtful debt in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019, as the receivable has been overdue for more than 3 years from 21 April 2016.

### 10. BAD DEDTS

|  | 31/03/2025           |                    | 01/01/2025           |                    |
|--|----------------------|--------------------|----------------------|--------------------|
|  | Cost                 | Recoverable value  | Cost                 | Recoverable value  |
|  | VND                  | VND                | VND                  | VND                |
| Total value of overdue receivables and loans, or those not yet overdue but deemed difficult to recover |                      |                    |                      |                    |
| + Receivables from embezzled water fee collections   | 1,157,969,085        | -                  | 1,157,969,085        | -                  |
| + Doubtful water fee receivables   | 1,814,749,200        | 660,383,563        | 1,814,749,200        | 660,383,563        |
| + Additional water bill arrears according to the State Audit in 2017 (ii)                              | 1,999,585,500        | -                  | 1,999,585,500        | -                  |
|  | <b>4,972,303,785</b> | <b>660,383,563</b> | <b>4,972,303,785</b> | <b>660,383,563</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 10. BAD DEDTS (CONT'D)

(ii) This receivable arises from retroactive charges due to the misapplication of water tariffs to non-commercial bank entities, as concluded by the State Audit in 2018. The Company issued invoices for these retroactive charges in 2018. As of 31 March 2025, this receivable has been fully provisioned (100%) as a doubtful debt, as it has been overdue for more than three years.

### 11. INVENTORIES

|                    | 31/03/2025            |           | 01/01/2025            |           |
|--------------------|-----------------------|-----------|-----------------------|-----------|
|                    | Cost                  | Provision | Cost                  | Provision |
|                    | VND                   | VND       | VND                   | VND       |
| <b>Inventories</b> | <b>23,768,452,643</b> | <b>-</b>  | <b>25,064,720,944</b> | <b>-</b>  |
| Raw Materials      | 12,084,441,329        | -         | 15,075,745,726        | -         |
| Tools and supplies | 6,464,286             | -         | 150,564,286           | -         |
| Work in progress   | 11,677,547,028        | -         | 9,838,410,932         | -         |
|                    | <b>23,768,452,643</b> | <b>-</b>  | <b>25,064,720,944</b> | <b>-</b>  |

### 12. PREPAID EXPENSES

|                                   | 31/03/2025           | 01/01/2025           |
|-----------------------------------|----------------------|----------------------|
|                                   | VND                  | VND                  |
| <b>Short-term</b>                 |                      |                      |
| Life insurance                    | 2,333,300,000        | 3,672,700,000        |
| Bravo maintenance                 | 59,002,995           | 67,431,996           |
| Cost of tools and equipment       | 1,318,650,460        | 1,368,286,750        |
| Cost of restroom repairs          | 1,048,515,213        | 1,322,278,115        |
| Cost of electrical system repairs | 420,545,953          | 559,528,476          |
| <b>Long-term</b>                  |                      |                      |
| Software Cost                     | 200,739,915          | 226,923,384          |
|                                   | <b>5,380,754,536</b> | <b>7,217,148,721</b> |



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 13. INCREASE OR DECREASE IN TANGIBLE FIXED ASSETS

|   | Building<br>and structures | Machinery and<br>Equipment | Vehicles and<br>transmission<br>vehicles | Office equipment<br>and management<br>tools | Total           |
|---|----------------------------|----------------------------|--|---|-----------------|
|   | VND                        | VND                        | VND                                      | VND   | VND             |
| <b>Historical cost</b>                  |                            |                            |  |   |                 |
| As at 01/01/2025                        | 3,842,656,054              | 14,336,296,485             | 463,585,506,207                          | 14,043,014,253                              | 495,807,472,999 |
| Purchases in the period                 | -                          | 446,600,000                | -  | 170,040,000                                 | 616,640,000     |
| Completed investment<br>in fixed assets | -                          | -                          | 143,162,531                              | -   | 143,162,531     |
| As at 31/03/2025                        | 3,842,656,054              | 14,782,896,485             | 463,728,668,738                          | 14,213,054,253                              | 496,567,275,530 |
| <b>Accumulated<br/>depreciation</b>     |                            |                            |  |   |                 |
| As at 01/01/2025                        | 3,842,656,054              | 9,326,478,269              | 277,735,759,097                          | 10,555,609,020                              | 301,460,502,440 |
| Depreciation during the<br>period       | -                          | 321,464,660                | 9,133,722,926                            | 357,408,088                                 | 9,812,595,674   |
| As at 31/03/2025                        | 3,842,656,054              | 9,647,942,929              | 286,869,482,023                          | 10,913,017,108                              | 311,273,098,114 |
| <b>Net book value</b>                   |                            |                            |  |   |                 |
| As at 01/01/2025                        | -                          | 5,009,818,216              | 185,849,747,110                          | 3,487,405,233                               | 194,346,970,559 |
| As at 31/03/2025                        | -                          | 5,134,953,556              | 176,859,186,715                          | 3,300,037,145                               | 185,294,177,416 |

### 14. INCREASE OR DECREASE IN INTANGIBLE FIXED ASSETS

|                                 | Computer Software | Total         |
|---------------------------------|-------------------|---------------|
| <b>Historical cost</b>          |                   |               |
| As at 01/01/2025                | 6,592,603,520     | 6,592,603,520 |
| Increase in the period          | -                 | -             |
| As at 31/03/2025                | 6,592,603,520     | 6,592,603,520 |
| <b>Accumulated amortisation</b> |                   |               |
| As at 01/01/2025                | 4,512,169,821     | 4,512,169,821 |
| Amortisation during the period  | 140,249,142       | 140,249,142   |
| As at 31/03/2025                | 4,652,418,963     | 4,652,418,963 |
| <b>Net book value</b>           |                   |               |
| As at 01/01/2025                | 2,080,433,699     | 2,080,433,699 |
| As at 31/03/2025                | 1,940,184,557     | 1,940,184,557 |

### 15. CONSTRUCTION IN PROGRESS

|  | 31/03/2025     | 01/01/2025    |
|--|----------------|---------------|
|  | VND            | VND           |
| Acquisition of fixed assets                                    | -              | 178,000,000   |
| Development and renovation of the water supply network         | 11,635,494,171 | 5,202,831,070 |
| Renovation of rooms, warehouses, and fire protection<br>system | -              | 195,748,668   |
|  | 11,635,494,171 | 5,576,579,738 |

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 16. SHORT-TERM TRADE PAYABLES

|  | 31/03/2025            | 01/01/2025            |
|--|-----------------------|-----------------------|
|  | VND                   | VND                   |
| <b>Third Parties</b>   |                       |                       |
| Tin Nghia Service Trading Technology Investment Corporation        | 175,221,851           | 1,420,120,010         |
| Thien Phu Water Supply and Sewerage Investment Joint Stock Company | 301,542,104           | 591,944,247           |
| Loc An Khang Company Limited                                       | 246,990,185           | 3,238,176,766         |
| Minh Trang Construction Joint Stock Company                        | 374,700,290           | 3,762,714,922         |
| Other  | 4,043,296,544         | 18,732,438,420        |
| <b>Related parties</b>   |                       |                       |
| Saigon Water Corporation   | 24,369,340,544        | 38,782,809,918        |
|  | <b>29,511,091,518</b> | <b>66,528,204,283</b> |

### 17. SHORT-TERM ADVANCES FROM CUSTOMERS

|   | 31/03/2025           | 01/01/2025           |
|---|----------------------|----------------------|
|   | VND                  | VND                  |
| <b>Third Parties</b>  |                      |                      |
| Customers pay for water bills not yet credited              | 1,812,262,688        | 1,692,634,981        |
| Customers advance service payments, water meter calibration | 130,627,668          | 128,316,122          |
| Water bills for low-income households awaiting refund       | 49,042,994           | 49,042,994           |
|   | <b>1,991,933,350</b> | <b>1,869,994,097</b> |

### 18. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE

|   | 01/01/2025            |                        | Arising during the period |                         | 31/03/2025            |                        |
|---|-----------------------|------------------------|---------------------------|-------------------------|-----------------------|------------------------|
|   | Payable               | Receivable             | Amount payable            | Amount paid             | Payable               | Receivable             |
|   | VND                   | VND                    | VND                       | VND                     | VND                   | VND                    |
| Value added tax payable                               | -                     | (3,968,957,750)        | -                         | -                       | -                     | (1,510,423,050)        |
| Sewerage service fee                                  | 13,264,581,231        | -                      | 36,859,336,764            | (36,316,002,313)        | 13,807,915,682        | -                      |
| VAT on sewerage services                              | 963,522,872           | -                      | 3,076,991,395             | (2,952,506,651)         | 1,088,007,616         | -                      |
| Corporate income tax                                  | -                     | (1,167,871,635)        | 4,733,748,117             | (1,079,657,089)         | 2,486,219,393         | -                      |
| Personal income tax (employees and temporary workers) | 379,793,426           | -                      | 2,969,591,484             | (2,968,139,759)         | 381,245,151           | -                      |
| Personal income tax (dividends)                       | 493,550               | -                      | 346,360                   | (839,910)               | -                     | -                      |
| Environmental protection fee                          | -                     | (181,174,043)          | 414,939                   | -                       | -                     | (180,759,104)          |
| Business license tax                                  | -                     | (3,000,000)            | 3,000,000                 | (3,000,000)             | -                     | (3,000,000)            |
|   | <b>14,608,391,079</b> | <b>(5,321,003,428)</b> | <b>47,643,429,059</b>     | <b>(43,320,145,722)</b> | <b>17,763,387,842</b> | <b>(1,694,182,154)</b> |



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 18. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE (CONT'D)

#### *Drainage service fee*

According to Decision No. 17/2021/QĐ-UBND dated 1 June 2021, issued by the People's Committee of Ho Chi Minh City, from 1 January 2022, the Environmental Protection Fee has been replaced by the Drainage and Wastewater Treatment Service Fee. This fee is based on the monthly volume of clean water consumed by wastewater dischargers, including households discharging domestic wastewater into the drainage system or receiving sources, as well as other related dischargers. The service fee applicable for the year 2025 is set at 30% of the unit price of clean water consumed.

#### *Corporate Income Tax*

The Company is currently applying a corporate income tax rate of 20%.

The corporate income tax ("CIT") payable for the year is provisionally calculated as follows:

|   | Q1 of 2025<br>VND     | Q1 of 2024<br>VND     |
|---|-----------------------|-----------------------|
|   | VND                   | VND                   |
| <b>Profit before tax</b>  | <b>23,668,740,586</b> | <b>29,897,684,759</b> |
| <i>Adjusting the pre-tax accounting profit for corporate income tax calculation</i> | -                     | -                     |
| <b>Taxable income</b>   | <b>23,668,740,586</b> | <b>29,897,684,759</b> |
| <i>Tax rate</i>   | <i>20%</i>            | <i>20%</i>            |
| <b>Current corporate income tax expense</b>   | <b>4,733,748,117</b>  | <b>5,979,536,951</b>  |

#### *Other taxes*

The Company declares and pays in accordance with regulations.

### 19. ACCRUED EXPENSES

|   | 31/03/2025<br>VND    | 01/01/2025<br>VND  |
|---|----------------------|--------------------|
| Wholesale clean water purchase cost         | 122,722,003          | -                  |
| Interest expense                            | -                    | 18,395,049         |
| Accrued expenses for materials              | 3,357,402            | 220,070,407        |
| 90% of the drainage service fee is entitled | 637,312,614          | 637,312,614        |
| Other expense                               | 250,258,367          | 66,074,000         |
|   | <b>1,013,650,386</b> | <b>941,852,070</b> |

### 20. OTHER SHORT-TERM PAYABLES

|  | 31/03/2025<br>VND    | 01/01/2025<br>VND    |
|--|----------------------|----------------------|
| Trade union fees                                   | 161,732,851          | 160,288,403          |
| Receiving deposits and collaterals                 | 1,407,150,000        | 1,317,150,000        |
| Dividends payable to shareholders                  | 548,748,244          | 555,675,444          |
| Environmental Protection Fee, Drainage Service Fee | 2,812,892,860        | 1,582,232,130        |
| Other  | 112,004,890          | 236,929,532          |
|  | <b>5,042,528,845</b> | <b>3,852,275,509</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 21. LOAN AND FINANCE LEASE OBLIGATIONS

|   | 01/01/2025           |                       | 31/03/2025           |                       |
|---|----------------------|-----------------------|----------------------|-----------------------|
|   | Amount               | Ability-to-pay amount | Amount               | Ability-to-pay amount |
|   | VND                  | VND                   | VND                  | VND                   |
| <b>Long-term</b>  |                      |                       |                      |                       |
| Vietnam Bank for Agriculture and Rural Development - Cho Lon Branch       | 9,876,718,189        | 9,876,718,189         | 8,868,857,322        | 8,868,857,322         |
| <b>Less: Current portion of long-term borrowings due within 12 months</b> | (4,031,843,468)      | (4,031,843,468)       | (4,031,843,468)      | (4,031,843,468)       |
| <b>Amount due after 12 months</b>   | <b>5,844,874,721</b> | <b>5,844,874,721</b>  | <b>4,837,013,854</b> | <b>4,837,013,854</b>  |

#### 21.1 SHORT-TERM LOAN AND FINANCE LEASE OBLIGATIONS

|   | 01/01/2025           | Amount of loan incurred during the year | Transfer from long-term borrowings and liabilities | Amount of loan repaid during the year | 31/03/2025           |
|---|----------------------|---|--|---------------------------------------|----------------------|
|   | VND                  | VND                                     | VND  | VND                                   | VND                  |
| Current portion of long-term borrowings | 4,031,843,468        | -                                       | 1,007,860,867                                      | (1,007,860,867)                       | 4,031,843,468        |
|   | <b>4,031,843,468</b> | <b>-</b>                                | <b>1,007,860,867</b>                               | <b>(1,007,860,867)</b>                | <b>4,031,843,468</b> |

#### 21.2 LONG-TERM LOAN AND FINANCE LEASE OBLIGATIONS

|  | 01/01/2025           | Amount of loan incurred during the year | Reclassified as short-term borrowings and liabilities | Amount of loan repaid during the year | 31/03/2025           |
|--|----------------------|---|---|---------------------------------------|----------------------|
|  | VND                  | VND                                     | VND   | VND                                   | VND                  |
| Long-term loan from the Vietnam Bank for Agriculture and Rural Development | 5,844,874,721        | -                                       | (1,007,860,867)                                       | -                                     | 4,837,013,854        |
|  | <b>5,844,874,721</b> | <b>-</b>                                | <b>(1,007,860,867)</b>                                | <b>-</b>                              | <b>4,837,013,854</b> |

This is a long-term loan from the Vietnam Bank for Agriculture and Rural Development – Cho Lon Branch (“Agribank Cho Lon Branch”) under three loan agreements:



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 21.2 LONG-TERM FINANCIAL LOANS AND LEASES (CONT'D)

- This is a long-term credit contract on a case-by-case basis No. 6220-LAV-201700906/HĐTD dated 8 August 2017, with a maximum loan amount of VND 9,860,000,000. As of 31 March 2025, the outstanding loan balance is VND 1,712,007,097. The loan term is 9 years from the day following the disbursement date under the credit contract. The purpose of the loan is to finance the construction, renovation, replacement, and upgrading of the water supply network and water loss prevention works, comprising four sub-projects with approved technical and economic reports. The interest rate is 7.5% per annum for the first year and is subject to adjustment every 6 months thereafter. The principal repayment includes a grace period of 1 year from the date of the first disbursement, after which the principal is repaid quarterly, together with interest. The first principal repayment date was 20 March 2019, and repayments are made evenly over 32 quarters. The loan is secured by the water supply pipeline system and related assets financed by Agribank Cho Lon Branch under the mortgage contract for future-formed assets No. 6220-LCL-201700410/HĐTL dated 15 June 2017. The total value of the collateral is VND 12,817,000,000.

- This is a credit contract No. 6220-LAV-201701301/HĐTD dated 14 December 2017, with a maximum loan amount of VND 14,700,000,000. As of 31 March 2025, the outstanding loan balance is VND 2,169,378,556. The loan term is 9 years from the day following the disbursement date. The purpose of the loan is to cover the costs of construction, renovation, replacement, and upgrading of the water supply network and water loss prevention, including 11 sub-projects with approved technical and economic reports. The interest rate is 7.5% per annum for the first year and is adjusted every 6 months thereafter. Principal repayment includes a grace period of 1 year from the first disbursement date of the credit contract, but not exceeding 24 months from the contract signing date. After the grace period, the principal is repaid quarterly together with interest. The first principal repayment date was 20 March 2019, and repayments are made evenly over 32 quarters. The loan is secured by the water supply pipeline system and related assets financed by Agribank Cho Lon Branch under the mortgage contract for future-formed assets No. 6220-LCL-201700918/HĐTL. The total value of the collateral is VND 19,631,000,000.

- This is a credit contract No. 6220-LAV-201801191/HĐTD dated 25 December 2018, with a maximum loan amount of VND 24,900,000,000. As at 31 March 2025, the outstanding loan balance is VND 4,987,471,669. The loan term is 9 years from the day following the disbursement date. The purpose of the loan is to cover the costs of construction, renovation, replacement, and upgrading of the water supply network and water loss prevention, including 6 sub-projects with approved technical and economic reports. The interest rate is 7.5% per annum for the first year and is adjusted every 6 months thereafter. Principal repayment includes a grace period of 1 year from the first disbursement date of the credit contract, but not exceeding 24 months from the contract signing date. After the grace period, the principal is repaid quarterly together with interest. The first principal repayment date was 20 March 2020, and repayments are made evenly over 32 quarters. The loan is secured by the water supply pipeline system and related assets financed by Agribank Cho Lon Branch under the mortgage contract for future-formed assets No. 6220-LCL-201800649/HĐTL. The total value of the collateral is VND 33,275,000,000.

### 22. BONUS AND WELFARE FUNDS

|   | 01/01/2025           | Increase due to<br>appropriation<br>from profit | Received funds<br>during the period | Disbursement of<br>funds during the<br>period | 31/03/2025           |
|---|----------------------|---|-------------------------------------|---|----------------------|
|   | VND                  | VND   | VND                                 | VND   | VND                  |
| Reward fund                               | 6,917,474,988        | -   | 75,530,000                          | (6,543,433,491)                               | 449,571,497          |
| Welfare fund                              | 2,272,237,126        | -   | -                                   | (1,144,100,000)                               | 1,128,137,126        |
| Management and<br>Executive Bonus<br>Fund | -                    | -   | -                                   | -   | -                    |
|   | <b>9,189,712,114</b> | <b>-</b>  | <b>75,530,000</b>                   | <b>(7,687,533,491)</b>                        | <b>1,577,708,623</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 23. OWNERS' EQUITY

#### 23.1 CHANGES IN OWNERS' EQUITY

|  | Contributed<br>charter capital | Investment and<br>development fund | Retained earnings | Total            |
|--|--------------------------------|------------------------------------|-------------------|------------------|
|  | VND                            | VND                                | VND               | VND              |
| As at 01/01/2024                         | 93,600,000,000                 | 99,278,821,947                     | 56,036,370,826    | 248,915,192,773  |
| Profit for the period                    | -                              | -                                  | 47,058,963,378    | 47,058,963,378   |
| Profit distribution for the<br>year 2023 | -                              | -                                  | (34,677,631,800)  | (34,677,631,800) |
| As at 31/12/2024                         | 93,600,000,000                 | 99,278,821,947                     | 68,417,702,404    | 261,296,524,351  |
| As at 01/01/2025                         | 93,600,000,000                 | 99,278,821,947                     | 68,417,702,404    | 261,296,524,351  |
| Profit for the period                    | -                              | -                                  | 18,934,992,469    | 18,934,992,469   |
| Profit distribution for the<br>year 2024 | -                              | -                                  | -                 | -                |
| As at 31/03/2025                         | 93,600,000,000                 | 99,278,821,947                     | 87,352,694,873    | 280,231,516,820  |

#### 23.2 DETAILS OF OWNERS' EQUITY

According to the Business Registration Certificate, the Company's charter capital is VND 93,600,000,000. As at 31 March 2025, the charter capital has been fully contributed by the shareholders as follows:

|                          | 31/03/2025            | Rate          | 01/01/2025            | Rate          |
|--------------------------|-----------------------|---------------|-----------------------|---------------|
|                          | VND                   | %             | VND                   | %             |
| Saigon Water Corporation | 49,747,000,000        | 53.15         | 49,747,000,000        | 53.15         |
| DongA Bank               | 9,360,000,000         | 10            | 9,360,000,000         | 10            |
| America LLC              | 19,113,890,000        | 20.42         | 19,116,890,000        | 20.42         |
| Ho Le Minh               | 4,805,500,000         | 5.13          | 4,805,500,000         | 5.13          |
| Other shareholders       | 10,573,610,000        | 11.30         | 10,570,610,000        | 11.30         |
|                          | <b>93,600,000,000</b> | <b>100.00</b> | <b>93,600,000,000</b> | <b>100.00</b> |

#### 23.3 SHARES

|  | 31/03/2025 | 01/01/2025 |
|--|------------|------------|
|  | VND        | VND        |
| Number of shares registered for issuance | 9,360,000  | 9,360,000  |
| Number of shares sold to the public      | 9,360,000  | 9,360,000  |
| - Common stock                           | 9,360,000  | 9,360,000  |
| Number of shares outstanding             | 9,360,000  | 9,360,000  |
| - Common stock                           | 9,360,000  | 9,360,000  |

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



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 24. REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

|                                 | Q1 of 2025             | Q1 of 2024             |
|---------------------------------|------------------------|------------------------|
|                                 | VND                    | VND                    |
|                                 | VND                    | VND                    |
| Revenue from clean water supply | 133,839,076,555        | 137,938,328,530        |
| Revenue from other services     | 245,250,430            | 574,007,110            |
|                                 | <b>134,084,326,985</b> | <b>138,512,335,640</b> |

### 25. COST OF GOODS SOLD

|                                  | Q1 of 2025            | Q1 of 2024            |
|----------------------------------|-----------------------|-----------------------|
|                                  | VND                   | VND                   |
|                                  | VND                   | VND                   |
| Cost of clean water supply       | 77,239,905,646        | 80,686,475,205        |
| Cost of providing other services | 49,238,811            | 240,478,525           |
|                                  | <b>77,289,144,457</b> | <b>80,926,953,730</b> |

### 26. FINANCE INCOME

|                           | Q1 of 2025         | Q1 of 2024         |
|---------------------------|--------------------|--------------------|
|                           | VND                | VND                |
|                           | VND                | VND                |
| Interest on bank deposits | 130,810,368        | 217,289,950        |
|                           | <b>130,810,368</b> | <b>217,289,950</b> |

### 27. FINANCE EXPENSES

|                  | Q1 of 2025         | Q1 of 2024         |
|------------------|--------------------|--------------------|
|                  | VND                | VND                |
|                  | VND                | VND                |
| Interest expense | 131,817,626        | 229,533,227        |
|                  | <b>131,817,626</b> | <b>229,533,227</b> |

### 28. SELLING EXPENSES

|                                      | Q1 of 2025            | Q1 of 2024            |
|--------------------------------------|-----------------------|-----------------------|
|                                      | VND                   | VND                   |
|                                      | VND                   | VND                   |
| Sales personnel expenses             | 8,134,975,551         | 7,644,161,601         |
| Depreciation expense of fixed assets | 9,453,481,089         | 9,106,337,344         |
| Cost of repairing damaged pipes      | (267,180,929)         | (573,274,616)         |
| Other selling expenses               | -                     | 2,950,000             |
|                                      | <b>17,321,275,711</b> | <b>16,180,174,329</b> |

### 29. GENERAL AND ADMINISTRATIVE EXPENSES

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

|                               | Q1 of 2025            | Q1 of 2024            |
|-------------------------------|-----------------------|-----------------------|
|                               | VND                   | VND                   |
|                               | VND                   | VND                   |
| Management personnel expenses | 8,981,561,724         | 7,870,186,815         |
| Office supplies expenses      | 1,048,988,868         | 274,637,169           |
| Depreciation of fixed assets  | 499,363,727           | 347,413,906           |
| Taxes, fees, and charges      | 3,000,000             | 3,000,000             |
| Provision expenses            | -                     | (147,921,420)         |
| Outsourced service expenses   | 3,200,077,356         | 1,227,828,418         |
| Other administrative expenses | 2,438,354,434         | 1,959,255,802         |
|                               | <b>16,171,346,109</b> | <b>11,534,400,690</b> |

### 30. OTHER INCOME

|  | Q1 of 2025         | Q1 of 2024        |
|--|--------------------|-------------------|
|  | VND                | VND               |
|  | VND                | VND               |
| Proceeds from compensation                 | (5,229,447)        | -                 |
| Revenue from drainage service fees         | 372,316,533        | -                 |
| Revenue from environmental protection fees | 3,810              | -                 |
| Recovery of written-off bad debts          | 98,490             | 42,362,493        |
| Other income                               | -                  | 91,186            |
|  | <b>367,189,386</b> | <b>42,453,679</b> |

### 31. OTHER EXPENSES

|  | Q1 of 2025   | Q1 of 2024       |
|--|--------------|------------------|
|  | VND          | VND              |
|  | VND          | VND              |
| Disposal expenses of materials, fixed assets,<br>and tools & instruments | -            | -                |
| Compensation expenses  | -            | -                |
| Other expense  | 2,250        | 3,332,534        |
|  | <b>2,250</b> | <b>3,332,534</b> |

### 32. PRODUCTION AND BUSINESS COSTS BY FACTORS

|                                      | Q1 of 2025            | Q1 of 2024            |
|--------------------------------------|-----------------------|-----------------------|
|                                      | VND                   | VND                   |
|                                      | VND                   | VND                   |
| Raw materials and supplies expenses  | 582,769,115           | 2,374,095,079         |
| Labor costs                          | 23,100,914,847        | 21,171,673,872        |
| Depreciation expense of fixed assets | 9,952,844,816         | 9,453,751,250         |
| Provision expenses                   | -                     | (147,921,420)         |
| Outsourced service expenses          | 3,188,695,701         | 983,093,186           |
| Other expense                        | 3,490,343,302         | 2,236,892,971         |
|                                      | <b>40,315,567,781</b> | <b>36,071,584,938</b> |

### 33. FINANCIAL INSTRUMENTS

The Company holds financial assets such as accounts receivable from customers, other receivables, investments, cash, and cash equivalents directly arising from the Company's operations. The Company's



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

financial liabilities primarily include loans, accounts payable to suppliers, accrued expenses, and other payables. The main purpose of these financial liabilities is to raise financial resources to support the Company's activities.

The Company is exposed to market risk, credit risk, and liquidity risk.

Risk management operations are essential to the Company's overall business activities. The Company has not yet implemented measures to mitigate these risks due to the lack of markets for financial instruments.

The Board of Directors has reviewed and agreed on the implementation of management policies for the aforementioned risks as follows:

### i. Market risk

**Market risk** is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk encompasses four types of risk: interest rate risk, currency risk, commodity price risk, and other price risks, such as equity price risk.

#### *Interest rate risk*

**Interest rate risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk of the Company primarily relates to cash, short-term deposits, and the Company's borrowings.

The Company manages interest rate risk by analyzing market competition to obtain favorable interest rates for the Company's purposes while staying within its risk management limits.

#### *Currency risk*

**Currency risk** is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in exchange rates. The Company is exposed to this risk due to fluctuations in exchange rates that directly impact the Company's business operations.

### ii. Credit risk

**Credit risk** is the risk that one party to a financial instrument or contract fails to meet its obligations, resulting in financial loss. The Company faces credit risk from its business operations (primarily from accounts receivable from customers) and from its financial activities, including bank deposits, foreign exchange transactions, and other financial instruments.

#### *Accounts receivable from customers*

The Company regularly monitors accounts receivable that have not been collected. For major customers, the Company assesses the deterioration in the credit quality of each customer at the reporting date. The Company strives to maintain strict control over outstanding receivables and assigns credit control personnel to minimize credit risk. Based on this and the fact that the Company's accounts receivable are related to various customers, the credit risk is not significantly concentrated in any single customer.

#### *Bank deposits*

The Company primarily maintains deposit balances at well-known banks in Vietnam. The credit risk of deposit balances at these banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum credit risk for the items on the balance sheet at the end of the reporting period is the carrying amount as presented in Note 5.1. The Company considers the credit risk concentration for bank deposits to be low.

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### iii. Liquidity risk

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

**Liquidity risk** is the risk that the Company will encounter difficulties in meeting its financial obligations due to a lack of capital. The Company's liquidity risk primarily arises from the mismatch in the maturity dates of its financial assets and financial liabilities.

The Company minimizes liquidity risk by maintaining a sufficient amount of cash, cash equivalents, and bank loans, as determined by the Board of Directors, to meet the Company's operational needs and reduce the risk associated with fluctuations in cash flow.

The table below summarizes the payment terms of the Company's financial liabilities based on the expected payments under the underlying contracts, undiscounted:

|                                     | Less than 1 year<br>VND | From 1 to 5 years<br>VND | Total                 |
|-------------------------------------|-------------------------|--------------------------|-----------------------|
| <b>As at 31/03/2025</b>             |                         |                          |                       |
| Accounts payable to suppliers       | 29,511,091,518          | -                        | 29,511,091,518        |
| Accrued expenses                    | 1,013,650,386           | -                        | 1,013,650,386         |
| Other payables                      | 5,042,528,845           | -                        | 5,042,528,845         |
| Loans and finance lease liabilities | 4,031,842,468           | 4,837,013,854            | 8,868,857,322         |
|                                     | <u>39,599,114,217</u>   | <u>4,837,013,854</u>     | <u>44,436,128,071</u> |
| <b>As at 01/01/2025</b>             |                         |                          |                       |
| Accounts payable to suppliers       | 66,528,204,283          | -                        | 66,528,204,283        |
| Accrued expenses                    | 941,852,070             | -                        | 941,852,070           |
| Other payables                      | 3,852,275,509           | -                        | 3,852,275,509         |
| Loans and finance lease liabilities | 4,031,843,468           | 5,844,874,721            | 9,876,718,189         |
|                                     | <u>75,354,175,330</u>   | <u>5,844,874,721</u>     | <u>81,199,050,051</u> |

The Company believes that the concentration of risk in relation to debt repayment is low. The Company has sufficient access to the necessary funding sources.

### **Collateral**

The Company has pledged tangible fixed assets as collateral for loans (Note 21).

The Company did not hold any collateral from other parties as of March 31, 2025, and 1 January 2025.

### **iv. Fair value**

#### *(1) Comparison between fair value and carrying amount*

The following table presents the Company's financial assets and financial liabilities:



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

|  | Carrying value         |                        | Fair value             |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 31/03/2025             | 01/01/2025             | 31/03/2025             | 01/01/2025             |
|  | VND                    | VND                    | VND                    | VND                    |
| <b>Financial assets</b>                                |                        |                        |                        |                        |
| Held-to-maturity investments                           | 41,100,000,000         | 46,100,000,000         | 41,100,000,000         | 46,100,000,000         |
| Trade receivable                                       | 15,987,292,259         | 11,250,214,507         | 15,987,292,259         | 11,250,214,507         |
| Receivables from related parties                       | 210,680,993            | 210,680,993            | 210,680,993            | 210,680,993            |
| Other receivables                                      | 1,327,557,622          | 1,639,578,971          | 1,327,557,622          | 1,639,578,971          |
| Pledged assets, margin deposits, and security deposits | 366,696,346            | 366,696,346            | 366,696,346            | 366,696,346            |
| Cash and cash equivalents                              | 65,295,082,517         | 85,407,192,689         | 65,295,082,517         | 85,407,192,689         |
|  | <b>124,287,309,737</b> | <b>144,974,363,506</b> | <b>124,287,309,737</b> | <b>144,974,363,506</b> |
| <b>Financial liabilities</b>                           |                        |                        |                        |                        |
| Trade payables   | 5,141,750,974          | 27,745,394,365         | 5,141,750,974          | 27,745,394,365         |
| Payables from related parties                          | 24,369,340,544         | 38,782,809,918         | 24,369,340,544         | 38,782,809,918         |
| Accrued expenses                                       | 1,013,650,386          | 941,852,070            | 1,013,650,386          | 941,852,070            |
| Other payables   | 112,004,890            | 236,929,532            | 112,004,890            | 236,929,532            |
| Loans and finance lease liabilities                    | 8,868,857,322          | 9,876,718,189          | 8,868,857,322          | 9,876,718,189          |
|  | <b>39,505,604,116</b>  | <b>77,583,704,074</b>  | <b>39,505,604,116</b>  | <b>77,583,704,074</b>  |

(2) *Basis of fair value determination*

### *Accounts receivable from customers and other receivables*

The fair value of accounts receivable from customers and other receivables, excluding construction contract-related receivables and payables measured based on the stage of completion, is estimated based on the present value of future cash flows, discounted at market interest rates at the reporting date. The fair value of these instruments is determined for disclosure purposes only.

### **v. Risk hedging**

The Company does not apply hedge accounting policies.

## **34. RELATED PARTY TRANSACTIONS AND BALANCES**

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

The list and the relationships between the related parties and the Company are as follows:

## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 34. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

#### 34.1 Transactions and balances with key management personnel and individuals related to key management personnel

| <u>Related parties</u>   | <u>Relationship</u>                     |
|--|---|
| Saigon Water Corporation   | Parent company                          |
| Sai Gon Ground Water Company Limited                               | Group companies                         |
| Water Mechanical Construction Joint Stock Company                  | Associate company of the parent company |
| Water Design and Consultancy Joint Stock Company                   | Associate company of the parent company |
| Traffic and Public Works Consultancy Joint Stock Company           | Associate company of the parent company |
| Saigon Water Corporation Branch - Clean Water Transmission Factory | Subsidiary                              |
| Pham Thi Thanh Van   | Chairman<br>(Resigned from 01/08/2024)  |
| Pham Tuan Anh  | Chairman<br>(Appointed from 26/09/2024) |
| Ta Chuong Lam  | Member                                  |
| Nguyen Thi Bao Chau  | Member                                  |
| Tran Quang Phuong  | Member                                  |
| Nguyen Thi Kieu Nguyet   | Member                                  |
| Ho Le Minh   | Member                                  |
| Nguyen Doan Xa   | Member                                  |
| Truong Tan Quoc  | Deputy Director                         |
| Pham Chi Thien   | Deputy Director                         |
| Nguyen Thi Thu Huong   | Head of the Board                       |
| Pham Thien Trinh   | Member                                  |
| Pham Thi Phuong Linh   | Member                                  |

The income of the Board of Directors, the Board of Management, and the Board of Supervisory is as follows:

|                             |                   | Q1 of 2025           | Q1 of 2024           |
|-----------------------------|-------------------|----------------------|----------------------|
|                             |                   | VND                  | VND                  |
| <b>Board of Management</b>  |                   |                      |                      |
| Pham Thi Thanh Van          | Chairman          | 72,173,443           | 261,737,148          |
| Pham Tuan Anh               | Chairman          | 166,829,005          | -                    |
| Ta Chuong Lam               | Member            | 21,000,000           | 21,000,000           |
| Nguyen Thi Bao Chau         | Member            | 21,000,000           | 21,000,000           |
| Tran Quang Phuong           | Member            | 21,000,000           | 21,000,000           |
| Nguyen Thi Kieu Nguyet      | Member            | 21,000,000           | 21,000,000           |
| Ho Le Minh                  | Member            | 21,000,000           | 21,000,000           |
| <b>Board of Directors</b>   |                   |                      |                      |
| Nguyen Doan Xa              | Member/Director   | 269,570,387          | 269,719,123          |
| Truong Tan Quoc             | Deputy Director   | 225,056,745          | 224,066,466          |
| Pham Chi Thien              | Deputy Director   | 221,782,236          | 222,647,958          |
| <b>Board of Supervisors</b> |                   |                      |                      |
| Nguyen Thi Thu Huong        | Head of the Board | 230,033,852          | 231,837,618          |
| Pham Thien Trinh            | Member            | 12,000,000           | 12,000,000           |
| Pham Thi Phuong Linh        | Member            | 12,000,000           | 12,000,000           |
|                             |                   | <b>1,314,445,668</b> | <b>1,339,008,313</b> |



## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period ended 31 March 2025

*This Commentary is an integral part of the accompanying financial statements*

### 34. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

#### 34.2 Transactions and balances with other related parties.

During the year, the Company has engaged in significant transactions with related parties as follows:

|  | Q1 of 2025     | Q1 of 2024     |
|--|----------------|----------------|
|  | VND            | VND            |
| <b>Saigon Water Corporation</b>                          |                |                |
| Purchase of clean water                                  | 72,182,612,589 | 70,030,568,532 |
| Lease of operating assets                                | 250,258,367    | 250,258,367    |
| <b>Sai Gon Ground Water Company Limited</b>              |                |                |
| Purchase of goods and services                           | -              | -              |
| <b>Water Mechanical Construction Joint Stock Company</b> |                |                |
| Purchase of goods and services                           | 280,000,000    | -              |

As at 31 March 2025, the balances of receivables/payables with related parties are as follows:

|   | 31/03/2025     | 01/01/2025     |
|---|----------------|----------------|
|   | VND            | VND            |
| <b>Saigon Water Corporation</b>   |                |                |
| Trade receivable  | 210,680,993    | 210,680,993    |
| Trade payables  | 24,369,340,544 | 38,782,809,918 |
| <b>Saigon Water Corporation Branch - Clean Water Transmission Factory</b> |                |                |
| Trade receivable  | 154,672,005    | 154,672,005    |

### 35. APPROVAL OF FINANCIAL STATEMENTS.

This financial statement has been approved by the Board of Directors of the Company and authorized for issuance on April 17, 2025.

(SIGNED)

(SIGNED)

(SIGNED)

TA THI KIEU VAN  
Preparer

NGUYEN HUU CUONG  
Chief Accountant

NGUYEN DOAN XA  
Director  
Ho Chi Minh City, April 17, 2025