

Financial statements and Independent Auditors' Report

Gia Lai Water Supply Sewerage Joint Stock Company
For the year ended 31 December 2024

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Report of the Board of Directors

The Board of Directors submits its report together with the audited financial statements of Gia Lai Water Supply Sewerage Joint Stock Company ("the Company") as at 31 December 2024 and for the year then ended.

Results of operations

The results of the Company operations for the year ended 31 December 2024 are presented in the Statement of income.

Auditors

The Company's Financial statements for the year ended 31 December 2024 have been audited by Grant Thornton (Vietnam) Limited.

Board of Management, Board of Directors and Board of Supervisors

The members of the Board of Management, Board of Directors and Board of Supervisors during the year and to the date of this report were:

Board of Management

Name	Position	Appointed date	Resigned date
Mr. Pham Ngoc Tien	Chairman	15 April 2022	-
Mr. Nguyen Van Thanh	Member	15 April 2022	8 January 2024
Mr. Le Van Nam	Member	15 April 2022	8 January 2024
Mr. Vu Van Tuan	Member	14 April 2023	8 January 2024
Mrs. Nguyen Thi Hong Hanh	Member	8 January 2024	-
Mr. Le Van Luyen	Member	8 January 2024	-
Mr. Nguyen Khanh Duy	Member	8 January 2024	-
Mr. Nguyen Dinh Vinh	Member	15 April 2022	-

Board of Directors

Name	Position	Appointed date	Resigned date
Mr. Nguyen Van Thanh	General Director	18 May 2018	8 January 2024
Mrs. Nguyen Thi Hong Hanh	General Director	9 January 2024	-
Mr. Le Van Nam	Deputy General Director	1 May 2022	8 January 2024
Mr. Nguyen Dinh Vinh	Deputy General Director	27 November 2023	-
Mr. Pham Xuan Hao	Deputy General Director	27 November 2023	-
Mr. Le Van Luyen	Deputy General Director	1 November 2023	1 November 2024
Mr. Trinh Ba Duy	Deputy General Director	1 November 2023	-

Board of Supervisors

Name	Position	Appointed date	Resigned date
Mrs. Nguyen Thi Hong Hanh	Head	15 April 2022	8 January 2024
Mrs. Ho Thi Xuan	Head	8 January 2024	-
Mr. Le Huy Hoang	Member	15 April 2022	-
Mrs. Nguyen Thi Quynh	Member	15 April 2022	-

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The Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring the financial statements are properly drawn up to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the results of its operations and its cash flows for the year ended 31 December 2024. In preparing the financial statements, the Board of Directors is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with the disclosure requirements of Vietnamese Accounting Standards and System for Enterprises and relevant statutory requirements on preparation and presentation of the financial statements;
- maintain adequate accounting records and an effective system of internal control;
- prepare the Financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the Financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The Board of Directors confirms that the Company has complied with the above requirements in preparing the Financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying Balance sheet, Statement of income and Statement of cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards and System for Enterprises and relevant statutory requirements on preparation and presentation of the financial statements.

On behalf of the Board of Directors,




Nguyen Thi Hong Hanh
General Director

Gia Lai, Vietnam
18 March 2025

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Independent Auditors' Report

on the financial statements of
Gia Lai Water Supply Sewerage Joint Stock Company
for the year ended 31 December 2024

Grant Thornton (Vietnam) Limited
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No. 24-11-114-2

To: The Board of Management
Gia Lai Water Supply Sewerage Joint Stock Company

We have audited the accompanying financial statements of Gia Lai Water Supply Sewerage Joint Stock Company ("the Company"), prepared on 18 March 2025, which comprise the Balance sheet as at 31 December 2024 and the Statement of income, Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 24.

Board of Directors' Responsibility for the Financial statements

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

Auditors' Responsibility

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

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

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

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Auditors' opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Gia Lai Water Supply Sewerage Joint Stock Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards and System for Enterprises and relevant statutory requirements on preparation and presentation of the financial statements.

Other matter

The financial statements as at 31 December 2023 and for the year then ended, included for comparison purposes, were audited by other auditors whose audit report dated 13 March 2024 expressed an unmodified opinion.

GRANT THORNTON (VIETNAM) LIMITED



Le The Viet

Auditor's Practicing Certificate
No. 0821-2023-068-1
Deputy General Director

Hanoi, Vietnam
18 March 2025

Nguyen Dich Dung

Auditor's Practicing Certificate
No. 2484-2024-068-1
Auditor

Balance sheet

as at 31 December 2024

	Notes	Code	31 December 2024 VND	31 December 2023 VND
ASSETS				
Current assets				
Cash and cash equivalents	5	100	44,330,043,558	27,803,876,686
Cash		110	21,563,057,141	1,881,218,731
Cash equivalents		111	795,819,470	781,218,731
		112	20,767,237,671	1,100,000,000
Short term investments				
Held-to-maturity investments	6	120	16,270,000,000	17,000,000,000
		123	16,270,000,000	17,000,000,000
Short-term receivables				
Short-term trade accounts receivable	7	130	2,477,637,014	5,830,101,219
Short-term prepayments to suppliers	9	131	737,444,380	1,471,448,772
Other short-term receivables	8	132	579,912,210	2,957,854,719
Provision for doubtful debts – short term		136	1,402,075,461	1,478,933,156
		137	(241,795,037)	(78,135,428)
Inventories				
Inventories	10	140	3,821,215,435	2,775,926,090
		141	3,821,215,435	2,775,926,090
Other current assets				
Short-term prepaid expenses	12	150	198,133,968	316,630,646
Value added tax to be reclaimed		151	55,309,130	29,389,696
Taxes and amounts receivable from the State Budget	17	152	59,540,806	92,988,881
		153	83,284,032	194,252,069
Non-current assets				
Fixed assets		200	162,750,922,430	167,046,647,632
Tangible fixed assets	13	220	157,732,046,641	162,865,975,657
- Historical cost		221	157,170,452,278	162,092,824,534
- Accumulated depreciation		222	458,757,009,244	452,345,229,164
		223	(301,586,556,966)	(290,252,404,630)
Intangible fixed assets	14	227	561,594,363	773,151,123
- Historical cost		228	1,692,454,091	1,692,454,091
- Accumulated amortisation		229	(1,130,859,728)	(919,302,968)
Long-term assets in progress				
Construction in progress	15	240	427,303,192	608,336,111
		242	427,303,192	608,336,111
Other non-current assets				
Long-term prepaid expenses	12	260	4,591,572,597	3,572,335,864
Substituted equipment, supplies and spare parts	11	261	1,802,885,117	734,606,303
		263	2,788,687,480	2,837,729,561
Total assets		270	207,080,965,988	194,850,524,318

Balance sheet

as at 31 December 2024 (continued)

	Notes	Code	31 December 2024 VND	31 December 2023 VND
RESOURCES				
Liabilities				
		300	9,060,283,562	3,653,291,430
Current liabilities				
		310	9,060,283,562	3,653,291,430
Short-term trade accounts payable	16	311	2,410,782,783	997,963,481
Short-term advances from customers		312	6,357,000	9,635,000
Taxes and amounts payable to the State budget	17	313	3,801,864,932	1,753,710,682
Payable to employees	18	314	2,025,805,392	214,000,000
Short-term accrued expenses		315	471,388,261	61,998,152
Other short-term payables		319	267,435,500	64,934,000
Short-term borrowings and finance lease liabilities	19	320	-	549,614,014
Bonus and welfare fund		322	76,649,694	1,436,101
Owners' equity				
		400	198,020,682,426	191,197,232,888
Owners' equity				
	20	410	198,020,682,426	191,197,232,888
Share capital	21	411	180,000,000,000	180,000,000,000
Share premium		412	3,940,051,378	3,940,051,378
Investment and development funds		418	375,175,915	375,175,915
Retained earnings		421	13,705,455,133	6,882,005,595
- Undistributed profits at end of the previous year		421a	1,262,687,792	2,495,649,535
- Profit after tax of the current year		421b	12,442,767,341	4,386,356,060
Total resources		440	207,080,965,988	194,850,524,318

Gia Lai, Vietnam
18 March 2025



Nguyễn Thị Hồng Hạnh
General Director

Trương Thị Thanh
Preparer/Chief Accountant

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Statement of income

for the year ended 31 December 2024

	Notes	Code	Year ended 31 December 2024 VND	Year ended 31 December 2023 VND
Gross sales	23	01	71,833,657,748	58,712,857,419
Less deductions		02	-	-
Net sales		10	71,833,657,748	58,712,857,419
Cost of sales	24, 28	11	(47,552,816,091)	(45,715,202,855)
Gross loss		20	24,280,841,657	12,997,654,564
Income from financial activities	25	21	1,274,820,108	2,165,271,785
Expenses from financial activities		22	(464,119)	(2,595,408)
<i>Including: interest expense</i>		23	-	-
Selling expenses	26, 28	25	(4,482,367,243)	(4,631,276,586)
General and administrative expenses	27, 28	26	(6,823,129,335)	(6,624,814,675)
Operating profit		30	14,249,701,068	3,904,239,680
Other income	29	31	1,437,147,095	1,676,419,670
Other expenses		32	(10,787,464)	(4,156,942)
Profit from other activities		40	1,426,359,631	1,672,262,728
Net accounting profit before tax	30	50	15,676,060,699	5,576,502,408
Current corporate income tax expense	30	51	(3,233,293,358)	(1,190,146,348)
Deferred corporate income tax	30	52	-	-
Net profit after tax	20	60	12,442,767,341	4,386,356,060
Basic earnings per share	22	70	691	232



Nguyen Thi Hong Hanh
General Director

Trương Thị Thanh
Preparer/Chief Accountant

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Statement of cash flows

(indirect method)

for the year ended 31 December 2024

	Notes	Code	Year ended 31 December 2024 VND	Year ended 31 December 2023 VND
Cash flows from operating activities				
Profit before tax		01	15,676,060,699	5,576,502,408
Adjustments for:				
Depreciation and amortisation		02	11,752,821,903	11,438,385,443
Changes in provisions		03	163,659,609	(3,029,236)
Gain from investing activities		05	(1,274,820,108)	(3,346,255,118)
Operating profit before changes in working capital		08	26,317,722,103	13,665,603,497
Changes in accounts receivable		09	2,741,650,013	(1,829,352,874)
Changes in inventory		10	(815,214,345)	950,957,908
Changes in accounts payable		11	2,799,487,625	(1,268,618,183)
Changes in prepaid expenses		12	(1,094,198,248)	418,176,588
Corporate income tax paid		15	(1,173,843,350)	(1,259,656,594)
Cash generated from operating activities		20	28,775,603,798	10,677,110,342
Cash flows from investing activities				
Acquisitions of fixed assets and construction in progress and other non-current assets		21	(6,272,763,677)	(12,151,475,033)
Proceeds from disposal of fixed assets		22	-	648,329,665
Loans granted and acquisitions of debentures		23	(37,110,000,000)	(26,870,048,841)
Proceeds from disposal of debentures		24	37,840,000,000	25,265,725,441
Dividends, interest received		27	2,395,790,803	1,003,911,129
Net cash flows used in investing activities		30	(3,146,972,874)	(12,103,557,639)
Cash flows from financing activities				
Repayments of loans' principals		34	(549,614,014)	(1,099,234,000)
Interest and dividend payments to investors		36	(5,397,178,500)	(9,000,000,000)
Net cash flows used in financing activities		40	(5,946,792,514)	(10,099,234,000)
Net increase/(decrease) in cash and cash equivalents		50	19,681,838,410	(11,525,681,297)
Cash and cash equivalents at beginning of the year	5	60	1,881,218,731	13,406,900,028
Cash and cash equivalents at end of the year	5	70	21,563,057,141	1,881,218,731



Gia Lai, Vietnam
18 March 2025

Nguyễn Thị Hồng Hạnh
General Director

Trương Thị Thanh
Preparer/Chief Accountant

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Notes to the Financial statements

for the year ended 31 December 2024

1. Nature of operations

Gia Lai Water Supply and Sewerage Joint Stock Company ("Company") is a company equitized from Gia Lai Water Supply Sole Member Limited Liability Company, established in Vietnam under Enterprise Registration Certificate No. 5900189614 issued by Gia Lai Department of Planning and Investment dated 1 November 2010. Subsequently, the Company had 7 amendments of Enterprise Registration Certificate. On 9 January 2024, the Company received the latest 7th amended Enterprise Registration Certificate to change the legal representative of the Company.

The Company's charter capital is VND180,000,000,000 divided into 18,000,000 equal shares with a par value of VND10,000/share.

The principal activities of the Company are:

- Water exploitation, treatment and supply;
- Drainage and wastewater treatment;
- Construction and repair of drainage and civil works; and
- Trading in materials and specialized services in water supply and drainage

The Company's head office is located at 388 Ly Thai To, Yen Do Ward, Pleiku City, Gia Lai Province, Vietnam.

As at 31 December 2024, the Company has 107 employees (31 December 2023: 108 employees).

2. Fiscal year and accounting currency

2.1 Fiscal year

The fiscal years of the Company will be from 1 January to 31 December.

2.2 Accounting currency

The Financial statements are prepared in Vietnamese Dong ("VND").

3. Basis of preparation of Financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards and System for Enterprises, and relevant statutory requirements on preparation and presentation of the financial statements. All items of the financial statements are prepared and presented under the cost principal.

The financial statements are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than the Social Republic of Vietnam. Furthermore, their use is not designed for those who are not informed about Vietnamese accounting principles, procedures and practices.

4. Accounting Policies

4.1 Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards and System for Enterprises, and prevailing accounting regulations in Vietnam requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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4.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash in banks as well as short-term highly liquid investments and bank deposits with maturity terms of not more than three (3) months.

4.3 Investments

Investments held-to-maturity

Investments held-to-maturity include term deposits where the issuer must repurchase at a certain time in the future and loans held-to-maturity for the purpose of earning interest periodically and other investments held-to-maturity. Investments held-to-maturity are initially measured at cost less provision for diminution in value. Provision for diminution in value of investments held-to-maturity is made when there is unlikely to recover those investments. Losses from irrecoverable investments, which have not been made provision, are recorded as expenses in the reporting period and reduction to the carrying amount of the investments.

4.4 Accounts receivable

Trade account receivables and other receivables are measured at their net recoverable amount after provision for doubtful debts. The provision for doubtful debts is made based on the Management's assessment on indication that they might not be recoverable. Doubtful debts are written off when they are irrecoverable.

4.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises purchase prices and other direct costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined primarily on the basis of weighted average cost. For processed inventories, cost includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution after making provision for damaged, obsolete, defective and slow-moving items. An inventories provision is made for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Inventories are accounted for using the perpetual inventory method.

4.6 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

Cost

The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The initial cost of tangible fixed assets with attached equipment and spare parts for replacement is the total directly attributable costs of bringing the asset to its working condition for its intended use less the value of equipment and spare parts for replacement. Expenditures incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the statement of income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of a tangible fixed asset beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of tangible fixed assets. The initial cost of tangible fixed assets transferred from construction in progress includes installation and trial operation costs less the value of products from trial production.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

	Years
Buildings and structures	8 - 30
Machinery and equipment	3 - 20
Transportation & transmit instrument	4 - 30
Office equipment	5 - 8

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of tangible fixed assets.

4.7 Intangible fixed assets

Computer software

The cost of computer software which is not an integral part of the related hardware is amortised on a straight-line basis in eight (8) years.

4.8 Long-term assets in progress

Construction in progress

Construction in progress is the whole value of the fixed assets have been bought, investment of construction in progress includes the cost of buildings, machinery and equipment which are in the process of construction or installation, overhaul of fixed assets in progress, completed fixed assets have not been handover or fixed assets have not been put to use. No depreciation is recorded until the construction and installation is complete and the asset is ready for its intended use at which time the related costs are transferred to tangible fixed assets.

4.9 Prepaid expenses

Tools and instruments

Tools and instruments included assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from (1) to (3) years.

Periodic water meter replacement costs

The cost of periodic water meter replacement is represented at costs and recognized in the income statement on a straight-line basis over 3 years.

Asset major repairing costs

Asset major repairing costs are represented at costs and recognized in the income statement on a straight-line basis over 3 years.

4.10 Long-term substituted equipment, supplies and spare parts

Long-term equipment, supplies and spare parts reserved for replacement of broken assets are assets which are not qualified for fixed assets capitalisation and have useful life over 12 months or over a normal business cycle but are not recognised as inventory. Those assets are recorded at cost less provision for impairment.

4.11 Payables and accrued expenses

Payables and accruals are recognised as amounts to be paid in the future for goods and services received, whether or not billed to the Company.

4.12 Borrowing costs

Borrowing costs comprising interest and related costs are recognised as an expense in the period in which they are incurred, except for borrowing costs relating to the acquisition of tangible fixed assets that are incurred during the period of construction and installation of the assets (even period of construction is less than 12 months), which are capitalised as a cost of the related assets.



4.13 Provisions for liabilities

Provisions for liabilities are recognised when the Company has a present obligation (legal or constructive) as a result from a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's reliable estimated of the expenditure required to settle the obligation at the balance sheet date. If the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

4.14 Employee benefits

The Company participates in the compulsory defined contribution plans as required by the Government of Vietnam pursuant to current Vietnamese regulations on labour, employment and relevant areas, which have been managed by Vietnam Social Insurance through its local agencies. The compulsory defined contribution plans include social insurance, health insurance and unemployment insurance which should be paid to the local social insurance agency by the Company for the Company's obligations, and on behalf of participants for participants' obligations.

Participants, the calculations, declarations and payments for obligations for both the Company and participants are based on the prevailing regulations specified to each period of time. The Company has no further obligation to fund the post-employment benefits of its employees.

The Company does not participate in any defined benefit plans.

4.15 Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company's net profit after tax and subject to shareholders' approval at the Annual General Meeting of shareholders.

4.16 Equity

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium includes any premiums received on issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from the premium, net of any related income tax benefits.

Investment and development fund

Investment and development fund is appropriated from the Company's net profit after tax and subject to expand the production and business scale or for in-depth investment of the enterprise.

Retained earnings

Retained earnings represent the Company's accumulated results of operations (profit, loss) after corporate income tax at the balance sheet date.

Dividend

Dividends distributed to the owners of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting.

4.17 Revenue

Goods sold

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding the ultimate receipt of the proceeds, the reasonable estimation of the associated costs of the sale or the possibility of the return of the goods.

For financial assets:

- financial assets at fair value through profit or loss ("FVTPL")
- held-to-maturity ("HTM") investments
- available-for-sale ("AFS") financial assets
- loans and receivables

For financial liabilities:

- financial liabilities at FVTPL
- other financial liabilities at the amortised cost

4.22 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4.23 Subsequent events

Post-year-end events that provide additional information about a company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

4.24 Classification of assets and liabilities as current or non-current

Assets and liabilities are classified as current or non-current on the balance sheet based on their remaining term of such assets and liabilities at the balance sheet date, except the classification is pre-defined and/or specified in Vietnamese Accounting System for Enterprises.

4.25 Off-balance sheet items

Amounts which are defined as off-balance sheet items under the Vietnamese Accounting System for Enterprises are disclosed in the relevant notes to these Financial statements.

5. Cash and cash equivalents

	31 December 2024	31 December 2023
	VND	VND
Cash on hand	19,308,213	69,725,816
Cash in banks	776,511,257	711,492,915
	795,819,470	781,218,731
Cash equivalents		
Bank deposits with terms of less than 3 months (*)	20,767,237,671	1,100,000,000
	21,563,057,141	1,881,218,731

(*) Bank deposits at commercial banks with terms from 1 to 3 months with interest rates from 2.7% to 4.75% per annum.

6. Held-to-maturity investments

	31 December 2024	31 December 2023
	VND	VND
Bank deposits (i)	16,270,000,000	17,000,000,000

(i) Bank deposits at commercial banks with terms of 6 months with interest rates from 4.0% to 5.0% per annum.

7. Short-term trade accounts receivable

	31 December 2024	31 December 2023
	VND	VND
Customers using clean water in Pleiku City	645,971,989	924,562,767
Pleiku City Construction Investment Project Management Board	-	474,695,000
Customers using clean water in Ayunpa Ward	86,677,391	72,191,005
Others	4,795,000	-
	737,444,380	1,471,448,772

8. Other short-term receivables

	31 December 2024	31 December 2023
	VND	VND
Interest receivable	319,842,461	1,440,813,156
Pleiku City Construction Investment Project Management Board	1,049,033,000	-
Short-term deposits	15,200,000	23,120,000
Advance to employees	18,000,000	15,000,000
	1,402,075,461	1,478,933,156

9. Short-term prepayments to suppliers

	31 December 2024	31 December 2023
	VND	VND
Third parties		
An Phat Construction and Engineering Joint Stock Company	529,400,000	-
Others	50,512,210	-
	579,912,210	-
Related parties (Note 31)		
Sai Gon - Pleiku Water Supply Corporation	-	2,957,854,719
	-	2,957,854,719
	579,912,210	2,957,854,719

10. Inventories

	31 December 2024		31 December 2023	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	3,821,215,435	-	2,775,926,090	-
	3,821,215,435	-	2,775,926,090	-

11. Long-term substituted tools, supplies and spare parts

	31 December 2024		31 December 2023	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Substituted tools, supplies and spare parts	3,821,215,435	-	2,775,926,090	-
	3,821,215,435	-	2,775,926,090	-

12. Prepaid expenses

	31 December 2024	31 December 2023
	VND	VND
Short-term		
Others	55,309,130	29,389,696
Long-term		
Periodic water meter replacement expenses	1,019,777,349	260,461,652
Asset major repairing costs	117,910,225	105,304,499
Tools and supplies	522,316,400	301,503,238
Others	142,881,143	67,336,914
	1,802,885,117	734,606,303
	1,858,194,247	763,995,999

13. Tangible fixed assets

	Buildings and structures	Machineries and equipment	Transportation, and transmission vehicle	Office equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
1 January 2024	102,009,517,937	98,975,581,854	250,659,082,646	701,046,727	452,345,229,164
New purchases	-	287,300,000	-	-	287,300,000
Transfer from Construction in progress	959,406,480	1,922,141,586	3,450,044,821	-	6,331,592,887
Disposal	-	-	(149,912,807)	(57,200,000)	(207,112,807)
31 December 2024	102,968,924,417	101,185,023,440	253,959,214,660	643,846,727	458,757,009,244
Accumulated depreciation					
1 January 2024	(70,148,614,657)	(74,574,106,467)	(145,059,833,660)	(469,849,846)	(290,252,404,630)
Depreciation charge	(2,919,761,707)	(1,800,463,102)	(6,775,837,078)	(45,203,256)	(11,541,265,143)
Disposal	-	-	149,912,807	57,200,000	207,112,807
31 December 2024	(73,068,376,364)	(76,374,569,569)	(151,685,757,931)	(457,853,102)	(301,586,556,966)
Net book value					
1 January 2024	31,860,903,280	24,401,475,387	105,599,248,986	231,196,881	162,092,824,534
31 December 2024	29,900,548,053	24,810,453,871	102,273,456,729	185,993,625	157,170,452,278

The original costs of fully-depreciated tangible fixed assets still in use as at 31 December 2024 is approximately VND9,447 million (31 December 2023: VND4,230 million).

14. Intangible fixed assets

	Computer software VND
Historical cost	
1 January 2024	
31 December 2024	1,692,454,091
	1,692,454,091
Accumulated amortization	
1 January 2024	
Amortization charge	(919,302,968)
31 December 2024	(211,556,760)
	(1,130,859,728)
Net book value	
1 January 2024	
31 December 2024	773,151,123
	561,594,363

15. Construction in progress

	Year ended 31 December 2024 VND	Year ended 31 December 2023 VND
Opening balance	608,336,111	1,712,048,670
Addition in the year	6,165,271,322	11,354,680,260
Transferred to tangible fixed assets	(6,331,592,887)	(12,458,392,819)
Transferred to prepaid expenses	(14,711,354)	-
Closing balance	427,303,192	608,336,111
In which:		
Water Supply System Expansion	398,017,081	606,336,111
Others	29,286,111	2,000,000
	427,303,192	608,336,111

16. Short-term trade accounts payable

	31 December 2024		31 December 2023	
	Amount VND	Afford to pay VND	Amount VND	Afford to pay VND
Third parties				
Hoang Phuc Technical Infrastructure Investment and Construction Company Limited	754,392,550	754,392,550	440,745,600	440,745,600
Electricity of Pleiku	-	-	270,514,178	270,514,178
Gia Lai Irrigation Works Exploitation Company	116,973,990	116,973,990	114,307,200	114,307,200
Hawaco Central Joint Stock Company	494,640,000	494,640,000	37,846,000	37,846,000
Nguyen Thinh Phuoc Company Limited	487,204,947	487,204,947	-	-
Others	125,382,328	125,382,328	134,550,503	134,550,503
	1,978,593,815	1,978,593,815	997,963,481	997,963,481
Related parties (Note 31)				
DNP Hawaco Southern Joint Stock Company	2,682,900	2,682,900	-	-
Saigon - Pleiku Water Supply Joint Stock Company	429,506,068	429,506,068	-	-
	432,188,968	432,188,968	-	-
	2,410,782,783	2,410,782,783	997,963,481	997,963,481

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17. Taxes and amounts receivable/payable to the State Budget

	31 December 2024		During the year		31 December 2023
	Amount VND	Payables/Receivables VND	Payment/Offset VND	Reclassification	Amount VND
Taxes receivables					
Value added tax	83,284,032	-	-	(110,968,037)	194,252,069
	83,284,032	-	-	(110,968,037)	194,252,069
Taxes payables					
Value added tax	-	2,783,828,365	(2,672,860,328)	(110,968,037)	-
Personal income tax	20,635,098	123,772,549	(147,330,156)	-	44,192,705
Corporate income tax	3,233,293,358	3,233,293,358	(1,173,843,350)	-	1,173,843,350
Natural resource tax	25,429,845	318,653,734	(315,939,185)	-	22,715,296
Other taxes	522,506,631	6,238,872,989	(6,229,325,689)	-	512,959,331
	3,801,864,932	12,698,420,995	(10,539,298,708)	(110,968,037)	1,753,710,682

18. Payable to employees

	31 December 2024	31 December 2023
	VND	VND
Wages salary	128,805,392	-
Bonus	1,897,000,000	214,000,000
	2,025,805,392	214,000,000

19. Borrowings

	31 December 2024		Increase	Decrease	31 December 2023	
	Amount VND	Afford to pay VND			Amount VND	Afford to pay VND
Short-term						
Current portion of long-term borrowings (i)	-	-	-	(549,614,014)	549,614,014	549,614,014
	-	-	-	(549,614,014)	549,614,014	549,614,014

- (i) This represented balance according to the Loan Agreement between the Ministry of Finance and Gia Lai Water Supply and Sewerage Joint Stock Company regarding the use of Loan No. 1361 VIE (SF) from the Asian Development Bank (ADB) for the project of upgrading and renovating the water supply and sanitation systems in cities and towns, signed on 15 September 1995, along with supplementary appendices. The total loan amount was VND16,488,497,014, with interest free. The borrowing was fully repaid during the year.

20. Owners' equity

The changes in the owners' equity of the Company during the year are as follows:

	Share capital	Share premium	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND
1 January 2023	180,000,000,000	3,940,051,378	375,175,915	11,817,169,583	196,132,396,876
Net profit in the year	-	-	-	4,386,356,060	4,386,356,060
Distributed to Bonus and welfare fund	-	-	-	(321,520,048)	(321,520,048)
Dividend	-	-	-	(9,000,000,000)	(9,000,000,000)
31 December 2023	180,000,000,000	3,940,051,378	375,175,915	6,882,005,595	191,197,232,888

Gia Lai Water Supply Sewerage Joint Stock Company

	Share capital	Share premium	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND
1 January 2024	180,000,000,000	3,940,051,378	375,175,915	6,882,005,595	191,197,232,888
Distributed to Bonus and welfare fund	-	-	-	(219,317,803)	(219,317,803)
Dividend (*)	-	-	-	(5,400,000,000)	(5,400,000,000)
Profit during the year	-	-	-	12,442,767,341	12,442,767,341
31 December 2024	180,000,000,000	3,940,051,378	375,175,915	13,705,455,133	198,020,682,426

(*) The Company paid dividends and distributed profit to the bonus and welfare fund in accordance with Resolution No. 02/2024/NQ-DHDCD dated 26 April 2024 of the General Meeting of Shareholders and the Board of Directors' meeting minute No. 03/2024/BB-HDQT-GLW dated 29 March 2024.

21. Share capital

Details of share capital as follow:

	31 December 2024			31 December 2023		
	Number of shares	VND	% of ownership	Number of shares	VND	% of ownership
Saigon Water Infrastructure Corporation	9,180,000	91,800,000,000	51.00%	9,180,000	91,800,000,000	51.00%
State Capital Investment Corporation	8,420,900	84,209,000,000	46.78%	8,420,900	84,209,000,000	46.78%
Other shareholders	399,100	3,991,000,000	2.22%	399,100	3,991,000,000	2.22%
	18,000,000	180,000,000,000	100%	18,000,000	180,000,000,000	100%

Issued shares:

	31 December 2024	31 December 2023
	Number of shares	Number of shares
Number of shares registered	18,000,000	18,000,000
Number of shares issued	18,000,000	18,000,000
Ordinary shares	18,000,000	18,000,000
Number of existing shares in circulation	18,000,000	18,000,000
Ordinary shares	18,000,000	18,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at the shareholders meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

22. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus shares issued during the year and excluding treasury shares:

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Profit after corporate income tax	12,442,767,341	4,386,356,060
Distributed to Bonus and welfare fund	-	(219,317,803)
Profit attributable to shareholders after subtracted the bonus and welfare fund	12,442,767,341	4,167,038,257
Weighted average number of issued ordinary shares	18,000,000	18,000,000
Earning per share	691	232

23. Revenue

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Revenue from clean water supply	64,842,844,440	52,441,414,131
Revenue from installation and renovation systems	6,744,042,953	6,108,899,829
Revenue from sales of goods and materials	246,770,355	162,543,459
	71,833,657,748	58,712,857,419

24. Cost of sales

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Cost of clean water supply	42,776,607,286	41,346,909,115
Cost of installation and renovation systems	4,621,095,810	4,268,813,217
Cost of sales of goods and materials	155,112,995	99,480,523
	47,552,816,091	45,715,202,855

25. Income from financial activities

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Interest on deposits and lendings	1,274,820,108	2,165,271,785
	1,274,820,108	2,165,271,785

26. Selling expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Staff costs	3,555,750,971	4,051,155,111
Depreciation expenses	211,556,760	204,056,760
Outside service costs	715,059,512	376,064,715
	4,482,367,243	4,631,276,586

27. General and administrative expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Staff costs	4,865,419,773	3,798,341,443
Depreciation expenses	397,842,660	416,854,463
Tax fees	10,784,100	36,028,281
Outside service costs	946,558,194	1,767,318,690
Provision expenses	169,885,796	(3,029,236)
Others	432,638,812	609,301,034
	6,823,129,335	6,624,814,675

28. Production and operation costs by element

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Material costs	21,664,129,181	21,364,980,206
Staff costs	15,623,599,712	14,187,359,119
Depreciation expenses	11,752,821,903	11,438,385,443
Tax fees	57,172,346	36,028,281
Provision expenses	169,885,796	(3,029,236)
Outside service costs	8,856,103,403	9,113,740,205
Others	734,600,328	833,830,098
	58,858,312,669	56,971,294,116

29. Other income

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Income from supports received for relocation of water supply system	833,938,890	1,180,983,333
Environmental protection fees withheld	600,396,706	481,148,963
Other	2,811,499	14,287,374
	1,437,147,095	1,676,419,670

30. Corporate income tax

The company is obligated to pay corporate income tax ("CIT") to the State at the standard CIT rate on taxable income. According to the amended Corporate Income Tax Law No. 32/2013/QH13 dated June 19, 2013, which is effective from 1 January 2014, the standard CIT rate is 20%.

CIT expenses during the year is calculated as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Profit before tax	15,676,060,699	5,576,502,408
<i>Adjustments:</i>		
Non-deductible expenses	490,406,089	374,229,339
Estimated taxable income	16,166,466,788	5,950,731,747
Tax rate	20%	20%
Corporate income tax	3,233,293,358	1,190,146,348
Current corporate income tax expenses	3,233,293,358	1,190,146,348

The calculation of corporate income tax is subject to review and approval by the tax authorities.

Deferred corporate income tax

Deferred tax is not recognized in the Balance sheet as at 31 December 2024 because the Company has not incurred any significant temporary differences as at 31 December 2024.

31. Related party transaction and balances

Details of the key related parties and relationship are given as below:

No	Name of organization/individual	Relationship with the Company
1	DNP Holding Joint Stock Company	Ultimate parent company
2	DNP Water Joint Stock Company	Inter-mediate parent company
3	Saigon Water Infrastructure Corporation	Parent company
4	State Capital Investment Corporation	Key shareholder
5	Saigon – Pleiku Water Supply Corporation	Associate of the Group
6	DNP Hawaco Southern Joint Stock Company	Under common control
8	Dong Nai Plastic Joint Stock Company	Under common control

In addition, the related parties also include members of the Board of Management, Board of Directors and Board of Supervisors of the Company as presented on page 1.

During the year, the following significant transactions with related parties were recognised:

Related party	Nature of transaction	Year ended 31 December 2024	Year ended 31 December 2023
		VND	VND
Dong Nai Plastic Joint Stock Company	Purchase of raw materials	829,977,740	-
Saigon – Pleiku Water Supply Corporation	Purchase of clean water	13,449,002,280	12,856,714,948
	Transfer of capital supports	-	9,750,000,000
	Collection of capital supports	-	14,964,056,438
	Interest income	-	537,553,001
	Receipts of interest income	-	427,078,103
	Capitalized interest	-	120,048,841
	Sale of materials	-	1,281,100
DNP Hawaco Southern Joint Stock Company	Purchase raw materials	911,701,000	-
	Purchase of tangible fixed assets	1,122,126,000	-

Gia Lai Water Supply Sewerage Joint Stock Company

Related party	Nature of transaction	Year ended 31 December 2024	Year ended 31 December 2023
		VND	VND
Dong Nai Plastic Joint Stock Company	Purchase of raw materials	829,977,740	-
Saigon Water Infrastructure Corporation	Dividends payment	2,754,000,000	4,590,000,000
State Capital Investment Corporation	Dividends payment	2,526,270,000	4,210,450,000

At 31 December 2024, the following balances were outstanding with related parties:

Related party	31 December 2024	31 December 2023
	Prepayment to supplies (Note 9)	Trade account payable (Note 16)
	VND	VND
Saigon – Pleiku Water Supply Corporation	-	429,506,068
DNP Hawaco Southern Joint Stock Company	-	2,682,900
	-	432,188,968

	31 December 2023	31 December 2023
	Prepayment to supplies (Note 9)	Trade account payable (Note 16)
	VND	VND
Saigon – Pleiku Water Supply Corporation	2,957,854,719	-
	2,957,854,719	-

32. Notes on non-cash transactions supplementary to the Statement of Cash Flows

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Purchase of tangible fixed assets on credit	1,297,104,810	888,540,955

33. Remuneration of Board of Management, Board of Directors and Board of Supervisors

During the year, members of the Board of Management, Board of Directors and Board of Supervisors received total remuneration and income as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	VND	VND
Board of Management		
Mr. Pham Ngoc Tien	60,000,000	60,000,000
Mrs. Nguyen Thi Hong Hanh	36,000,000	-
Mr. Nguyen Dinh Vinh	36,000,000	36,000,000
Mr. Le Van Luyen	36,000,000	-
Mr. Nguyen Khanh Duy	36,000,000	-
Mr. Nguyen Van Thanh	-	36,000,000
Mr. Le Van Nam	-	36,000,000
Mr. Vu Van Tuan	-	36,000,000
	204,000,000	204,000,000

	Year ended 31 December 2024 VND	Year ended 31 December 2023 VND
Board of Directors		
Mr. Nguyen Van Thanh	7,826,087	431,400,000
Mrs. Nguyen Thi Hong Hanh	449,573,913	-
Mr. Nguyen Dinh Vinh	319,400,000	321,400,000
Mr. Pham Xuan Hao	319,400,000	321,400,000
Mr. Le Van Nam	-	221,333,333
	1,096,200,000	1,295,533,333
Board of Supervisors		
Mrs. Nguyen Thi Hong Hanh	-	36,000,000
Mrs. Ho Thi Xuan	36,000,000	-
Mr. Le Huy Hoang	24,000,000	24,000,000
Mrs. Nguyen Thi Quynh	24,000,000	24,000,000
	84,000,000	84,000,000
	1,384,200,000	1,583,533,333

34. Comparative figures

The financial statements for the current year cover the year ended 31 December 2024. The corresponding amounts in the Balance sheet, statements of income, cash flows and related notes to the financial statements are brought forward from the financial statements as at 31 December 2023 and for the year then ended which were audited by other auditors.

35. Subsequent events

No significant events have occurred since the reporting date which would impact on the financial position of the Company as disclosed in the Balance sheet as at 31 December 2024 or on the result of its operation and its cash flows for the year ended.

36. Authorisation of financial statements

The financial statements were approved by the Board of Directors and authorised for issue.

Gia Lai, Vietnam
18 March 2025

**CÔNG TY
CỔ PHẦN
CẤP THOÁT NƯỚC
GIA LAI**

Nguyễn Thi Hong Hanh
General Director

Trương Thị Thanh
Preparer/Chief Accountant

