



DANANG WATER SUPPLY JOINT STOCK COMPANY

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

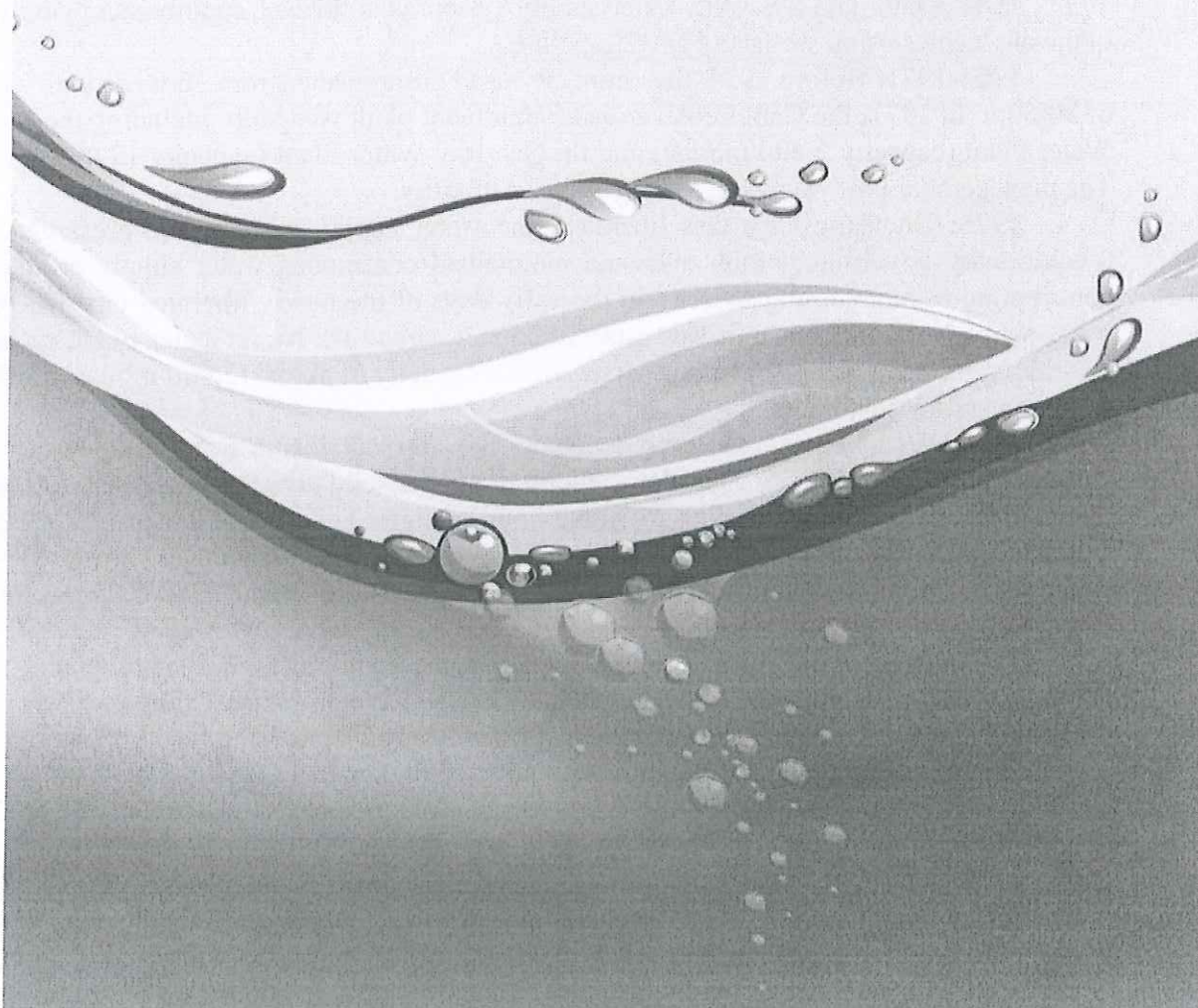
ANNUAL REPORT

2024

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I. GENERAL INFORMATION



1. General Information

Trading Name: Da Nang Water Supply Joint Stock Company

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

Charter Capital: VND 579,640,610,000

Owner's Equity (as of December 31, 2024): VND 776,512,313,620 (according to the Consolidated Financial Statements for 2024).

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

Phone: 0236.3697999

Fax: 0236.3697222

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

Stock Code: DNN

2. Establishment and Development Process:

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

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

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

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

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

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

2010: On June 14, 2010, the People's Committee of Da Nang City issued Decision No. 4411/QĐ-UBND approving the plan to transform Da Nang Water Supply Company (State-owned enterprise) into Da Nang One Member Limited Liability Company. On July 1, 2010,

the company was granted the first Business Registration Certificate No. 0400101066 by the Department of Planning and Investment of Da Nang City and officially operated as a One Member Limited Liability Company.

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

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

Year 2024:

In 2024, the company maintained stable production and business operations and experienced good growth. In general, the company has completed the planned targets assigned by the People's Committee of Da Nang City. The company's leaders always focus on applying and developing advanced technology applications in management, strengthening inspection and supervision, combating revenue and loss; paying attention to building a team of highly qualified and skilled employees; promoting democracy; satisfactorily resolving the legitimate aspirations of employees; building a spirit of solidarity, cultivating industrial style, and gradually building a corporate culture to achieve sustainable development goals.

2. Business Lines and locations of the business

2.1 Main Products and Services:

The company is currently engaged in the following business activities:

- + Trading in materials and equipment specialized in water supply and drainage construction;
- + Producing and trading in clean water for domestic use, production, and other needs;
- + Installing and constructing water supply projects;
- + Preparing construction investment projects. Consulting, designing, and compiling total cost estimates for medium and small-scale water supply and drainage systems. Conducting topographical and geological surveys, reviewing design estimate documents, construction supervision, and managing construction investment for water supply and drainage projects of Group B and below;
- + Inspecting and calibrating water meters.

2.2 Locations of business:

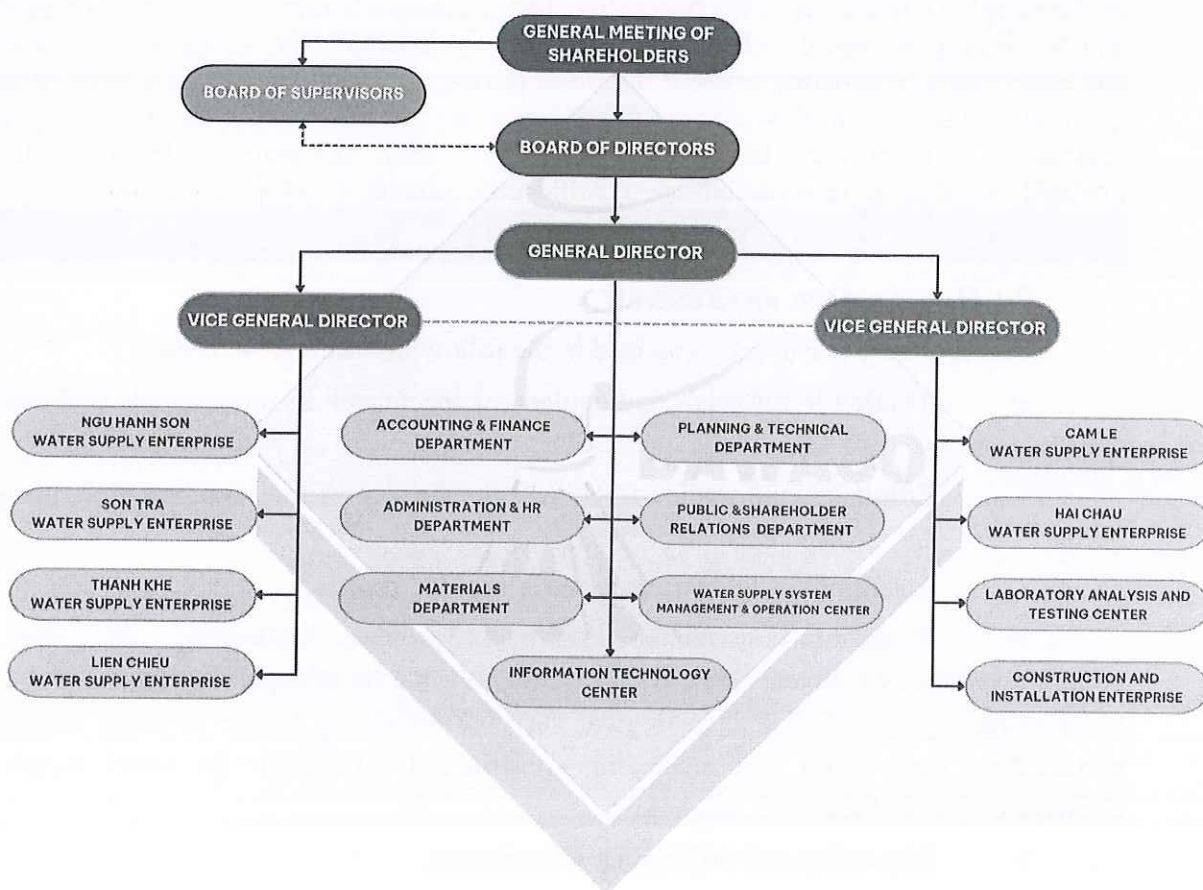
Da Nang Water Supply Joint Stock Company has its headquarters located at 57 Xo Viet Nghe Tinh Street, Hoa Cuong Nam Ward, Hai Chau District, Da Nang City. The company has its subsidiaries including Da Nang Water Supply and Drainage Construction One Member Limited Liability Company, Cam Le Water Supply Enterprise, Hai Chau Water Supply Enterprise, Lien Chieu Water Supply Enterprise, Ngu Hanh Son Water Supply Enterprise, Son Tra Water Supply Enterprise, Thanh Khe Water Supply Enterprise, operating in the production and trading of clean water in the districts and Hoa Vang District of Da Nang City.

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

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

- Management Structure:

ORGANIZATION CHART



Subsidiaries, Associated Companies:

Subsidiary Company:

Da Nang Water Supply and Drainage Installation & Construction One Member Limited Company – Address: 10 Trinh Cong Son Street, Hai Chau District, Da Nang City. The subsidiary's main business activities are the construction and installation of water supply pipelines in the city area... At the end of 2024, Da Nang Water Supply and Drainage Construction One Member Limited Company temporarily ceased operations.

4. Development Orientation

1. Main Objectives of the Company: Ensure safe water supply in terms of quality, flow, and pressure. **Key Tasks for 2025:**

- Ensure safe water supply in terms of quality, flow, and pressure.
- Maintain the water loss rate at 11.33%.
- Complete the digital transformation phase for 2023-2025 and implement solutions to enhance water supply management capacity through technology.

2. Medium and Long-Term Development Strategies:

- Focus on reducing water loss; Maintain the water loss rate at 11.33%.
- Invest in developing water supply infrastructure, enhancing water supply capacity and customer service.

3. Sustainable Development Goals:

- Develop a long-term sustainable water supply development plan in accordance with the specialized water supply planning of Da Nang City.
- Complete the digital transformation phase for 2023-2025 and implement solutions to enhance water supply management capacity through technology.
- Improve the quality of human resources to meet task requirements.
- Promote awareness of clean water protection and water conservation among households, agencies, and enterprises.
- Maintain social welfare activities to support the community directly and effectively.

5. Risks

1. Economic Risks:

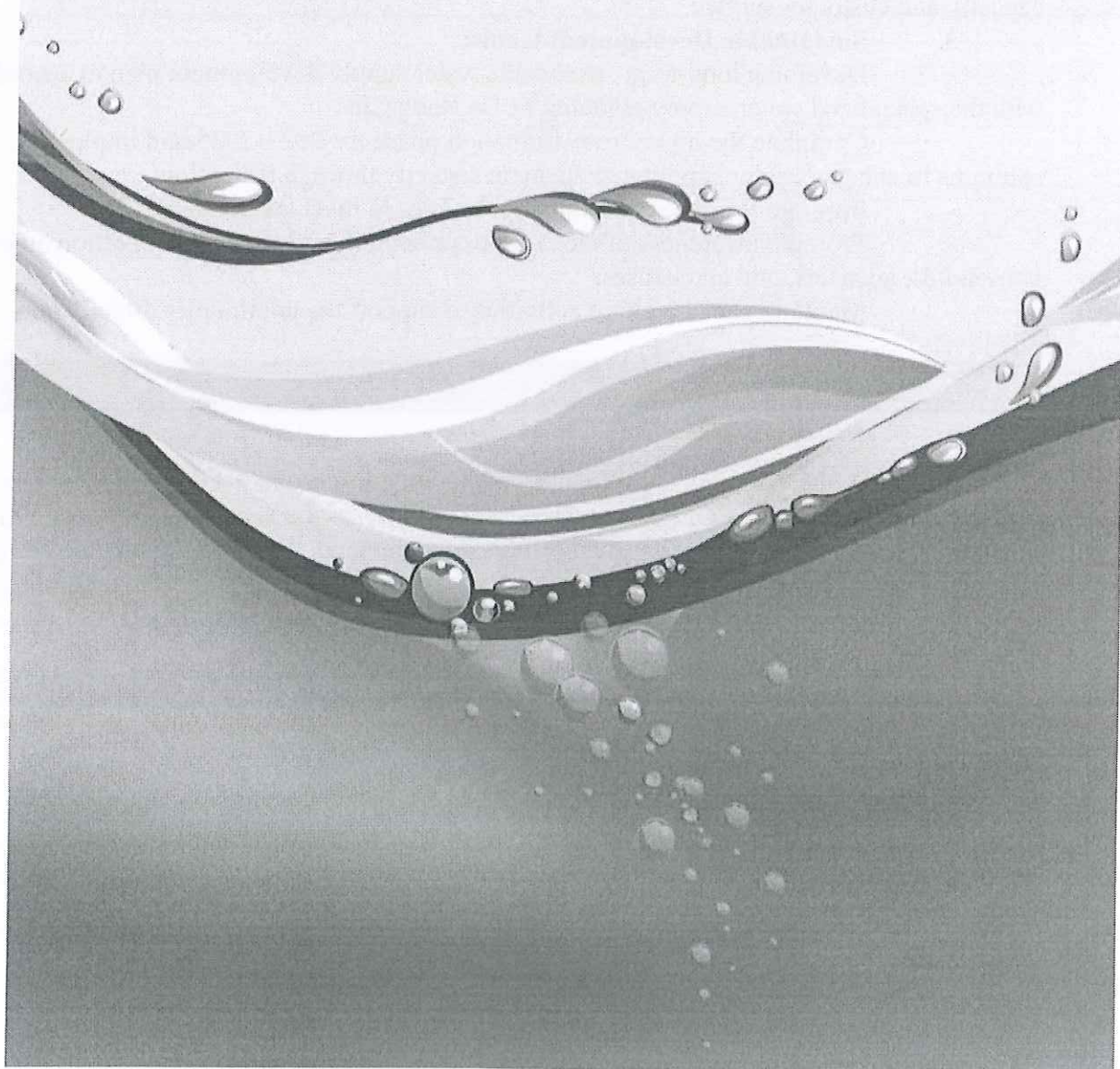
- In 2024, the economy showed signs of slowing down, and the demand for clean water in the city did not grow significantly (the tourism and service sector had moderate growth; manufacturing enterprises were affected by consumer demand, thereby affecting the company's revenue. However, the cost of raw materials for water treatment chemicals and equipment for developing the water supply system according to the annual plan showed signs of increasing, affecting input costs.

- The addition of supply from the Hoa Lien Water Plant reduced the production output of the Cau Do Water Plant, thereby increasing the company's input costs and significantly affecting the financial indicators of 2024.

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

The global and Vietnamese economies still face many difficulties and challenges. War affects energy and food prices in the East Sea. Natural disasters and storms also affect the operation of water plants, and the water supply system is damaged and needs maintenance and repair.

II. OPERATIONS IN THE YEAR



1. Situation of production and business operation

1.1 The Company's activities have been conducted with established routines built and maintained over many years. When implementing the tasks for 2024, under the supervision and direction of the Board of Directors, the Company's Executive Board, and its units, the Company continued to promote and gradually innovate, enhancing efficiency in management, production, and labor productivity;

1.2 The Company continued to receive attention, leadership, and direction from the City Party Committee, the People's Council, and the People's Committee, along with enthusiastic support from city departments and agencies, creating favorable conditions for the Company to fulfill its 2024 plan;

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

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

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

♣ Net revenue structure:

Unit: VND

No.	Net Revenue	2023	2024
1	Water Industry Revenue	591.463.117.486 (*)	640.504.754.381
2	Construction and Installation Revenue	4.521.813.772	3.992.691.942
	Total Revenue		

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

2. Organization and Human resource

2.1 List of the Management Board:

No.	Member	Position	Shareholding percentage
1	Mr. Ho Minh Nam	General Director	1,21%
2	Mr. Le Duc Quy	Deputy General Director	0%
3	Mr. Tran Phuoc Thuong	Deputy General Director	1,21%
4	Mr. Phan Thinh	Chief Accountant	1,24%

2.2 Curriculum Vitae

2.2.1 Board Member cum General Director:

Full name: **HO MINH NAM**

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

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

Issued by: Department of Administrative Management of Social Order

Ethnicity: Kinh Nationality: Việt Nam

Hometown: Tam Hai, Núi Thanh, Quang Nam

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

❖ **Education:**

General education: 12/12

Professional: Master of Infrastructure Engineering

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

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

❖ **Work Experience:**

<i>1975 - 1993</i>	Spent childhood with parents in Hanoi, moved to Da Nang with family in 1978 and attended high school in Da Nang City.
<i>1995 – 6/2001</i>	Worked at Da Nang Water Supply Company (now Da Nang Water Supply Joint Stock Company) and studied at Hanoi University of Architecture, majoring in Water Supply and Drainage. Staff in the Business Department; Staff in the Technical Department.
<i>6/2001 – 10/2003</i>	Staff in the Da Nang Water Supply Project Management Unit.
<i>10/2003 - 10/2004</i>	Staff in the Da Nang Water Supply Project Management Unit.
<i>10/2004 - 12/2005</i>	Deputy Director of the Construction and Installation Enterprise of Da Nang Water Supply Company.
<i>12/2005 - 10/2016</i>	Director of Lien Chieu Water Supply Branch of Da Nang Water Supply One Member Limited Liability Company.
<i>11/2016 – 10/2021</i>	Deputy General Director of Da Nang Water Supply Joint Stock Company.
<i>11/2021- now</i>	Board Member cum General Director cum Project Management Director of the Company.

2.2.2 Board Member, Deputy General Director

Full name: **LE DUC QUY**

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

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

Ethnicity: Kinh Nationality: Việt Nam

Hometown: Hoa Quy – Ngu Hanh Son – Da Nang

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

❖ **Education:**

General Education: 12/12

Professional: Bachelor of Economics

❖ **Current Position at the Company:** Board Member cum Deputy General Director

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

❖ **Work Experience:**

<i>1964 - 1981</i>	Spent childhood with family, attended school and graduated from high school.
<i>1981 - 1985</i>	Studied and graduated from Ho Chi Minh City University of Finance and Accounting.
<i>5/1987 - 6/1996</i>	Specialist in the Planning Department, Quang Nam - Da Nang Construction Department, concurrently Chief Accountant of the Construction Project Management Board and the Planning Capital Management Board under the Construction Department.
<i>7/1996 - 12/1999</i>	Chief Accountant, Deputy Head of the Planning and Finance Department, Da Nang Urban and Rural Planning Institute.
<i>01/2000 - 04/2006</i>	Chief Accountant, Head of the Planning - Finance Department, Da Nang Construction Planning Institute
<i>5/2006 - 6/2007</i>	Chief Accountant, Head of the General Department, Da Nang Construction Planning Institute.
<i>7/2007 - 3/2013</i>	Deputy Director of Da Nang Construction Planning Institute
<i>4/2013 - 10/2016</i>	Head of the Accounting and Finance Department, Da Nang Construction Department
<i>11/2016 – 03/2020</i>	Board Member cum Deputy General Director of Da Nang Water

	Supply Joint Stock Company.
<i>04/2020 – 10/2021</i>	Acting Chairman of the Board cum Deputy General Director of Da Nang Water Supply Joint Stock Company
<i>From 11/2021 – now</i>	Board Member cum Deputy General Director of Da Nang Water Supply Joint Stock Company

2.2.3/ Deputy General Director

Full name: **TRAN PHUOC THUONG**

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

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

Ethnicity: Kinh Nationality: Việt Nam

Hometown: Hòa Nhơn – Hòa Vang – Đà Nẵng

Current residence: 205 Phan Đăng Lưu Street, Da Nang City

❖ Education:

General Education: 12/12

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

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

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

❖ Work Experience:

<i>1966 - 1984</i>	Spent childhood with family, attended school and graduated from high school.
<i>1984 - 1989</i>	Studied and graduated from Da Nang University of Technology, major in Chemistry
<i>12/1990 - 4/1994</i>	Technical Officer, Workshop Manager, Da Nang Tobacco Factory
<i>4/1994 - 3/1998</i>	Manager of Hoa Khuong Cement Factory; Head of Marketing Department of Hoa Khuong Cement Factory; Head of General Department of Hoa Khuong Cement Factory
<i>4/1998 - 10/2001</i>	Vice Chairman of Construction Trade Union of Da Nang City
<i>11/2001 - 3/2008</i>	Deputy Head of Administrative Organization Department, Da Nang Water Supply Company
<i>4/2008 - 10/2016</i>	Party Committee member, Head of Administrative Organization Department, Da Nang Water Supply Company One Member Limited Party Committee member, Deputy General Director of the Company

11/2016-07/2020 and Manager of Administration and Human Resources, DaNang Water Supply Joint Stock Company

07/2020 – 11/2021 Deputy Secretary of the Party Committee, Deputy General Director, Deputy Secretary of the Party Committee, Deputy General Director,

From 12/2021- Chairman of the Company's Grassroots Trade Union.

now

2.2.4 Chief Accountant:

Full name: **PHAN THỊNH**

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

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

Ethnicity: Kinh Nationality: Việt Nam

Hometown: Hòa Thọ, Hòa Vang, Đà Nẵng

Current residence: 300 Núi Thành Street, Hải Châu Ward, Da Nang City

Education: 12/12

Professional: Bachelor of Economics

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

❖ **Chức vụ hiện nay tại công ty:** Party Committee member, Chief Accountant and Manager of Finance and Accounting Department

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

❖ **Work Experience:**

1969 – 1987	Spent childhood with family, attended school and graduated from high school.
1987 – 1991	Studied and graduated from University of Economics, major in Finance - Accounting
07/1993 – 3/2003	Accounting staff of Danang Water Supply Company
04/2003 – 12/2003	Deputy Head of Accounting Department, Danang Water Supply Company
01/2004 – 08/2006	Acting Chief Accountant of Da Nang Water Supply Company
09/2006 – now	Party Committee member, Chief Accountant and Manager of Finance and Accounting Department of Da Nang Water Supply Joint Stock Company.

2.3. Changes in the Board of Management: None

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

Number of staffs (up to 31/12/2024):

No.	Classification	Headcount (person)	Ratio (%)
A	By education level	520	100%
1	University and Post University	236	45.3%
2	College, secondary school	133	25.6%
3	Technical worker	151	29.1%
B	By gender		
1	Male	365	70.2%
2	Female	155	29.8%

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

Targets	Year 2023	Year 2024
Average total number of employees (person)	508	515
Average income of employees (VND/person/month)	16.530.000	17.930.000

❖ **Human Resources Policy**

The company has partnered with colleges and vocational schools in Da Nang City and Quang Nam Province to recruit skilled young workers who have undergone vocational training, ensuring a steady labor supply. Additionally, it collaborates with Da Nang Vocational College to facilitate student internships, providing hands-on experience at water supply enterprises and integrating theoretical learning with practical application. So far, the company has recruited six male workers and is currently in the probation period for two additional male workers at water supply enterprises.

In 2024, the company signed a training cooperation agreement with the Central College of Technology, Economics, and Irrigation to offer associate degree-level training in water supply and drainage. Currently, 16 workers are enrolled in this training program.

In 2024, the company is organizing training courses for mid-level managers, customer service teams, and skill enhancement programs, including professional certification exams for workers.

3. Investment Activities, project implementation

a. Major investments:

In 2024, the company has invested approximately VND 64.397 billion to support production and business activities, including:

- VND 25.918 billion disbursed for projects aimed at increasing the capacity of water treatment plants/pumping stations and expanding the main transmission pipeline network.
- VND 36.478 billion invested in the construction, renovation, repair, and maintenance of facilities at water treatment plants, pumping stations, transmission networks, and distribution networks to ensure the safe operation of water supply production.

b. Subsidy: In 2024, Da Nang Water Supply and Drainage Installation and Construction Co., Ltd. temporarily suspended its operations, resulting in an insignificant financial situation.

4. Financial situation

a) Financial situation:

No.	Indicators	Unit	Year 2023 (actual)	Year 2024 (actual)	% change
1	Total asset	VND billion	1.673.430	1.555.582	93
2	Net revenue	VND billion	596.008	644.687	108,2
3	Profit from business activities	VND billion	148.518	107.433	72,3
4	Other profits	VND billion	2.470	4.672	189,14
5	Profit before tax	VND billion	150.988	112.106	74,2
6	Profit after tax	VND billion	135.530	100.354	74
7	Payout ratio	%	22	14 (estimated)	63,6

b) Major financial indicators:

Indicators	Unit	Year 2023	Year 2024
1. Solvency ratio			
Current ratio	Times	1,69	1,71
Quick ratio	Times	1,56	1,56
2. Capital Structure ratio			
Debt/Total asset ratio	%	52,8	50,045
Debt/Owner's Equity ratio	%	111,8	100,18
3. Operation capability ratio			
Inventory turnover	Times	8,75	11,278
Total asset turnover	Times	0,378	0,4
4. Profitability			
Profit after tax/Net revenue Ratio	%	22,7	15,56
Profit after tax/Total capital Ratio	%	17,08	12,80

Indicators	Unit	Year 2023	Year 2024
Profit after tax/Total assets Ratio	%	8,11	6,22
Profit from business activities/net revenue Ratio	%	24,92	16,66

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

a) Shares:

- + Common shares: 57.964.061 shares
- + Preferred shares 1.789.200 shares
- + Number of floating shares: 57.964.061 shares
- + Treasury shares: 0 shares
- + Par value: 10,000 VND per share
- + Freely transferable shares: 35,888,117 shares (62% of the company's charter capital)
- + Restricted shares: 22,075,944 shares (38% of the company's charter capital)

b) Shareholders Structure (up to 31/12/2024)

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

c) Change in the owner's equity

None

d) Transaction of treasury stocks:

None

e) Other securities:

None.

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

6.1 Environment Governance

In 2024, the high-efficiency pumps at the Cầu Đỏ Water Treatment Plant, part of the pilot project under the Joint Crediting Mechanism (JCM), saved 3,070,850 kWh of electricity, resulting in an estimated cost saving of approximately VND 5,220,446,319. Dawaco operates and maintains the pumps in the JCM project to sustain their performance, continuously achieving high energy-saving efficiency. Verified carbon emission reduction credits for the period 2018 to 2020 indicate that 4,994 tCO₂ were mitigated.

6.2 Management of raw materials

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

Materials	Raw water (m ³)	Chemicals (kg)					
		PAC	SALT	LIQUID CLORINE	POWDER CLORINE	SODA	KMnO ₄
Year 2024	111.566.719	532.664	3.547	103.061	2.937	42.440	2.659

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

- The Cầu Đỏ, Sân Bay, and Hồ Hoà Trung water plants have invested in sludge treatment systems. As a result, wastewater from the sludge discharge of sedimentation tanks and filter backwashing is treated and pumped back into the clean water treatment process for reuse.

6.3 Energy consumption:

The total electricity consumption for water production activities in 2024 is 25,788,458 kWh

In 2024, Dawaco's energy efficiency continued to improve, driven by network regulation and the effective operation of newly invested transmission pipelines during the 2020-2022 period. The electricity consumption per cubic meter of clean water at the Cầu Đỏ and Sân Bay water treatment plants has been reduced to:

Year	The electricity consumption at The Cầu Đỏ Water Plant	The electricity consumption The San Bay Water Plant	The electricity consumption The Ho Hoa Trung Water Plant
2023	0.1962 kWh/m ³	0.3664 kWh/m ³	0.1331 kWh/m ³
2024	0,2073 kWh/m ³	0,3205 kWh/m ³	0,1598 kWh/m ³

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

a) Water supply and amount of water used

- The water supply for the Cầu Đỏ and Sân Bay water treatment plants comes from surface water sources. The water intake locations are: (1) Cầu Đỏ Water Intake Station (Cầu Đỏ River, a tributary of the Yên River); (2) An Trạch Weir (Yên River, a tributary of the Vu Gia River in the Vu Gia – Thu Bồn River system).

- Son Trà Water Treatment Plant: Son Trà 1 station sources water from Đá Stream; Son Trà 2 station sources water from Tinh Stream. Hải Vân Water Treatment Plant sources water from Lương Stream, and the Khe Lạnh Water Supply Station sources water from Khe Lạnh (Bà Nà). Hồ Hòa Trung Water Treatment Plant sources water from Hồ Hòa Trung (Dawaco purchases raw water from Da Nang Irrigation and Drainage State-owned One Member Limited Liability Company).

- The Phú Sơn Water Supply Stations source water from the Yên River (Dawaco purchases raw water from Da Nang Irrigation and Drainage State-owned One Member Limited Liability Company). The Hòa Phú Water Supply Station sources water from streams and brooks in Hòa Phú Commune, Hòa Vang District, Da Nang City, and the Hòa Bắc Water Supply Station sources water from streams and brooks in Hòa Bắc Commune, Hòa Vang District, Da Nang City

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

6.5 Compliance with the law on environmental protection

a) Number of times the Company is fined for failing to comply with laws and regulations on the environment: None

b) The total amount to be fined for failing to comply with laws as regulations on the environment: None

6.6 Policies related to employees

- Maintain an average income for employees of 17.93 million VND per person per month, 8.5% higher than in 2023 and 7.4% higher than the annual plan.

- Implement labor laws, social insurance, health insurance, and unemployment insurance policies effectively for employees. Ensure that employees' income next year is higher than the previous year. Additionally, the company provides personal insurance for all employees at a rate of 236,000 VND per person per year. The company, in cooperation with the trade union, provided hardship allowances to 420 employees or their family members (due to illness or funerals) with a total amount of 277.5 million VND from the welfare fund in 2024. The company also organizes annual health checkups for employees.

- Ensure workplace safety, fire prevention and control (PCCC) at the office headquarters and production facilities. Provide full labor protective equipment and uniforms for employees.

- Contribute to supporting employees with serious illnesses in the spirit of mutual aid, and promptly implement policies for employees who need to take leave due to illness.

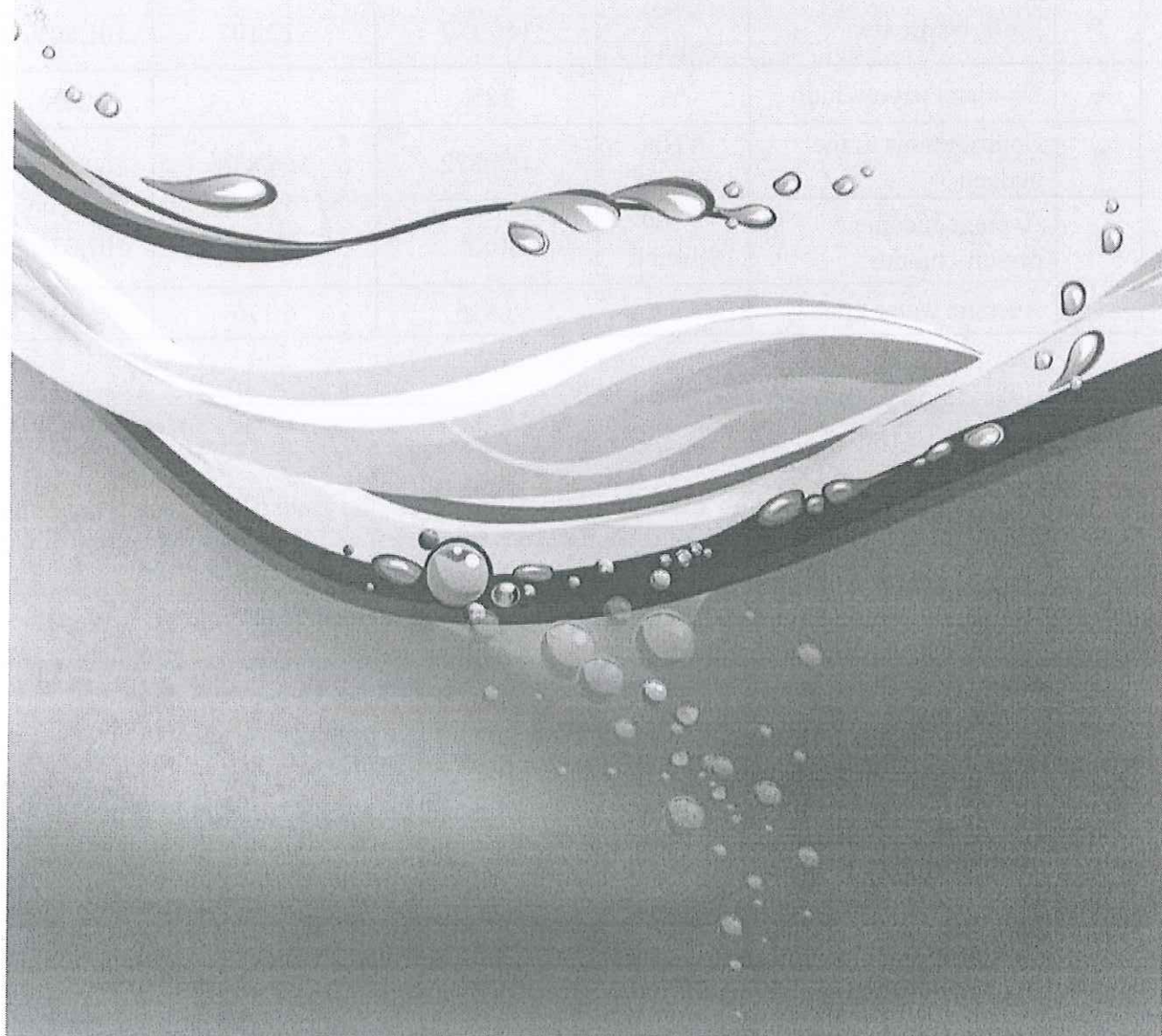
6.7 Report on responsibility for local community:

- Perform well in social work and community care through visiting, supporting, and nurturing the mothers of fallen soldiers (VNAH), allocating 1 billion VND from the welfare fund to assist poor households in Da Nang City and Quang Nam Province.

- Organize activities related to historical sites, such as visiting "red addresses," to educate employees on revolutionary traditions.

- Contribute one day's salary to support the people in Northern Vietnam affected by Typhoon No. 3 (Typhoon Yagi) through the Vietnam Fatherland Front of Da Nang City.

III. REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT



1. Assessment of operating results

No.	Indicators	Unit	2024		% Achieved
			Plan	Actual	
1	Produced water (including Hoa Lien)	m3	118.914.004	117.684.312	98,97%
2	Billed water	m3	101.415.932	103.666.262	102,22%
3	Total revenue before tax	VND billion	709.374	672.756	94,84%
	- Water supply	VND billion	691.200	640.211	92,62%
	- Construction	VND billion	3.000	4.286	142,87%
	- Materials	VND billion	300	190	63,26%
	- Other (Financial activities, Other income)	VND billion	14.874	28.069	188,71%
5	Profit before tax	VND billion	110.122	112.107	101,80%
6	Dividend payout ratio	%	12%		0,00%
7	Contributions to the budget.	VND billion	166.872	166.876	100,00%
8	Average income / person / month	VND Million	16,7	17,93	107,37%
9	Average water price	VND/m ³	6.816	6.176	90,61%

1.1 Opportunities and challenges

* Advantages

1. The attention and direction from the Party Committee, the Board of Directors, and the Executive Board, along with the efforts of the employees to overcome difficulties and complete the assigned plans.

2. The focus on institutional frameworks, laws, mechanisms, and policies, with many innovations in management and direction, has positively impacted the Company's production and business results.

3. The water supply projects invested in previous years have been completed and put into use, contributing to solving issues related to water shortage, weak water pressure, and salinity.

4. The water loss reduction plan for water supply systems from 2023 to 2024 has shown clear effectiveness, reducing the overall water loss rate for the Company to 11.33%, which helps lower water production costs and ensures the water loss rate aligns with the plan set by the competent authorities.

5. Urban upgrading projects (old street roads) have created favorable conditions for the Company in upgrading and improving the old water supply network.

* Challenges

1. The city's economic situation is not yet fully stable, with industrial production recovering slowly. The number of businesses dissolving or going bankrupt has increased. The prices of raw materials, supplies, electricity, and labor continue to fluctuate, while water prices have been slow to adjust in 2024. Along with costs for leasing assets and purchasing water from the Hoa Lien Water Plant, this has negatively impacted water revenue growth, the water sector's income, and the Company's profits.

2. The raw water source is constantly fluctuating (salinity, water levels dropping at pump stations, etc.), especially during the summer, which affects the Company's water production operations.

3. The implementation of upgrading investments for alleys in districts at the end of the year has caused the Company to be passive in preparing manpower, materials, etc.

4. The city's leased assets in many areas have deteriorated in quality, impacting the water quality in the network.

2. Financial situation

a) Asset situation:

Unit: VND million

Indicator	2023	2024	Proportion Year 2023	Proportion Year 2024
Short-term assets	552.267 (*)	509.979	33%	32,8%
Long-term assets	1.121.163	1.045.603	67%	67,2%
Total assets	1.673.430	1.555.582	100%	100%

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

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

ĐVT: Million VND

Tangible fixed assets	Original cost	Residual value	Residual value / Original cost
Buildings and structures	208.626	44.221	0,21
Machinery and equipment	156.236	54.403	0,35
Transport and transmission vehicles	2.201.499	900.017	0,41
Management equipment and tools	8.397	1.625	0,19
Other fixed assets	1.141	523	0,46
Total	2.576.900	100.790	0,42

Unit: VND million

Intangible fixed assets	Original cost	Residual value	Residual value / Original cost.
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Accounting software	54	0	0
Computer software	11.684	2.093	0,18
Total	11.739	2.093	0,18

b) Liabilities Situation

Unit: VND million

Indicator	2023	2024	Proportion	
			2023	2024
Short-term liabilities	327.139	298.755	37%	38,35 %
Long-term liabilities	556.373	479.737	63%	66,65%
Total liabilities	883.512	778.941	100 %	100%

3. Improvements in organizational structure, policies, and management

3.1 Improvements in organizational structure:

- Directing the assignment of tasks based on high levels of expertise, with leadership teams and individual responsibility.
- For 2025, the focus will be on streamlining the organizational structure to ensure efficiency, effectiveness, and impact.

3.2 Improvements in policies and management:

- Focusing on investing in policies for scientific and technological development, as well as enhancing customer service offerings.
- There is a mechanism to monitor the activities of subordinate units.

4. Future development plan:

4.1 Business production plan for 2025:

No	Indicators	Unit	Plan 2025	Compared to 2024
1	Produced water (including Hoa Lien)	Million m ³	124,400	105,7%
2	Billed water	Million m ³	108,850	105,0%
3	Total revenue before tax	VND billion	763,074	113,4%
	- Water supply	VND billion	747,861	116,8%
	- Construction	VND billion	3,000	70,0%

	- Materials	VND billion	0,200	105,3%
	- Financial activities	VND billion	10,659	42,9%
4	- Other income	VND billion	159,535	142,3%
5	Profit before tax	%	18	128,6%

4.2 Production and water supply operations:

- Regularly maintaining and servicing machinery, equipment, and treatment facilities at water plants/pumping stations; closely monitoring the flow and quality of raw water sources, promptly responding to droughts and saltwater intrusion to ensure stable, safe, and efficient water production operations.

- Controlling the consumption of chemicals and electricity at water plants/pumping stations to maintain low levels, thereby saving production costs.

- Developing operational scenarios for the Airport and Hoa Trung water plants in line with the amount of water received from the Hoa Lien water plant, ensuring a reliable water supply for the Lien Chieu region.

- Rationally utilizing the existing pipeline network, effectively operating treatment facilities, completed pipeline systems, and booster pumping stations through the SCADA system to meet the city's water demand.

- Monitoring water usage, setting appropriate operational modes for specific times to ensure the consistency and balance of pressure and flow across the entire water supply system, meeting water demand while reducing water loss. Regulating the water supply network to ensure optimal flow and pressure for each region, and adding online pressure monitoring points to the network.

- Properly managing water treatment at the plants/pumping stations, promptly addressing water quality issues to ensure that the water supplied to the network meets sanitation standards.

- Strengthening the technical management of equipment and pumps at the plants/pumping stations, coordinating with relevant units to inspect and propose repairs or replacements of malfunctioning or damaged machinery to ensure safe production operations. Closely monitoring the installation, repair, and maintenance of machinery, pumps, and transportation vehicles according to the schedule.

- Continuing to improve software and applications for effective business and production management.

4.3 Water loss reduction and revenue recovery efforts:

- The Hải Châu and Thanh Khê Water Supply Enterprises will continue implementing the approved water loss prevention plan. The 2024 water loss prevention plan will be implemented for the Cẩm Lệ and Liên Chiểu Water Supply Enterprises.

- Implement network zoning and separation, inspect electromagnetic meters to ensure accurate water loss assessment, and regularly check shut-off valves before and after electromagnetic meters.

- Conduct periodic verification of master meters to ensure accuracy in meter reading. Inspect consumer meters according to regulations and replace them immediately if found inaccurate. Use high-quality materials with long lifespan.

- Review and monitor water consumption of large customers (restaurants, hotels, units with underground water tanks, parks, etc.) to ensure accurate measurement of water usage and replace Class C meters if necessary.

- Monitor and regulate water pressure according to demand, enhance leak detection efforts to promptly identify and repair leaks, receive reports of pipe bursts and conduct timely repairs, and procure additional leak detection equipment.

- Upgrade and renovate pipeline networks, focusing on areas with weak water supply and poor quality. Coordinate with the city's drainage projects and alleyway upgrades to optimize investment costs.

- Regularly update equipment information on the network for asset management through GIS software. Prioritize network improvements as planned. Enterprises should plan to replace steel pipes crossing roads and asbestos cement (AC) pipes.

- Maintain regular inspections of water usage to correctly identify users and apply appropriate water pricing policies.

- Recover costs for lost water due to pipeline damage caused by construction units using water for flushing and connections.

- Regularly review cases where meters have no recorded consumption for two consecutive billing cycles and enforce water disconnection to recover outstanding debts.

- For pipelines classified as leased city assets, determine the installation period and develop a water loss reduction plan for submission to the City People's Committee to secure funding for reducing water loss in these pipelines.

4.4 Key Investment and Development Focus in 2024:

- Focus on completing the project to increase the capacity of the An Trạch raw water pumping station to 420,000 m³/day and the D1200DI raw water pipeline from An Trạch pumping station to Cầu Đỏ Water Plant.

- Construct a sludge treatment facility at Sân Bay Water Plant to ensure sludge from the water treatment process is collected and processed in compliance with environmental protection regulations.

- Initiate the investment preparation phase for projects, including:

- D500 and D400 pipelines along National Highway 14B (from Hòa Cầm Overpass to the Đà Nẵng - National Highway 14B Expressway Interchange) to supply additional water to Hòa Thọ Tây Ward, Hòa Nhơn Commune, Hòa Phát Commune, and Hòa Cầm Industrial Park.

- Investment preparation for the construction of a clean water reservoir at Cầu Đỏ Water Plant to ensure water supply security (especially during peak hours) and meet water demand through 2030.

- D400 and D300 pipelines along DT605 Road and a D500 HDPE siphon pipeline across the Cầu Đỏ River to supplement water supply for the Hòa Tiến area.

- Install a new D1200 HDPE raw water siphon pipeline across the Cầu Đỏ River.

- Install D400 and D300 pipelines along Trường Sa Road (from Võ Quý Huân to Cocobay) to enhance water supply for the downstream area of Hòa Hải Ward, Ngũ Hành Sơn District.

- Complete phase 2 of the Cầu Đỏ Water Plant infrastructure construction.

- Continue implementing the transmission pipeline project in the southeastern part of the city.

- Design and construct landscaping for Cầu Đỏ Water Plant.

- Monitor and expedite the progress of construction projects to ensure timely completion according to plans, emphasizing project quality and implementing reward and penalty measures for contract timeline compliance.

- Finalize necessary procedures for payment and settlement of capital for completed projects that have been approved and put into operation.

- Complete the upgrade and renovation of the office building at 57 Xô Viết Nghệ Tĩnh.

- Focus on designing and implementing water supply network development projects as planned for 2024 to ensure a stable water supply.

4.5 Customer Management and Care:

- Maximize the efficiency of the Call Center customer service system to promptly address customer complaints and inquiries.
- Ensure accurate water meter reading and improve customer service quality, minimizing errors in meter reading and addressing any service attitude issues.
- Continue developing a meter reading application integrated with customer care services. Utilize existing social media platforms such as Zalo and Viber to enhance customer care services and facilitate water bill payments, aiming for better interaction and service quality.
- Invest in and develop management software, implementing the digital transformation program through 2025.

4.6 Employment, Salaries, Living Standards, and Policies:

- Ensure fair and proper salary and income distribution for employees. Maintain stable employment, wages, and earnings for workers; make full and timely contributions to social insurance, health insurance, and unemployment insurance for all employees. Promptly coordinate with the social insurance agency to ensure full payment of social security, health insurance, retirement benefits, and continue the 24/7 personal insurance coverage for employees.
- Continue refining the salary regulations, salary grade adjustments, and human resource management, attendance tracking, and payroll software.
- Propose recruitment of qualified professionals to meet future workforce demands.
- Maintain annual health check-ups for all employees, with biannual medical examinations for those with health conditions requiring monitoring.
- Collaborate with training institutions to organize skill enhancement and promotion courses for workers. Educate employees on workplace safety, fire prevention, and compliance with regulations; ensure the annual provision of protective equipment and uniforms.
- Uphold discipline and company regulations, restructure and optimize workforce allocation, and enhance organizational efficiency to improve productivity.
- Organize training workshops on relevant topics such as customer care and water loss reduction, along with leadership and customer service training for mid-level management.
- Continue participating in social activities, patriotic emulation movements, and community contribution initiatives

5. Explanation from the Board of Directors Regarding Audit Opinions

None

6. Environmental and Social Responsibility Assessment Report of the Company

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

- Electricity consumption in 2024 is lower than the state-regulated standards.
- Dawaco consistently complies with the current environmental protection laws, carrying out wastewater sampling and air sampling as per the monitoring frequency outlined in the approved Environmental Monitoring Plan. The company takes timely action (such as dredging sludge or flushing the water treatment facilities at the water production sites) to ensure that the wastewater quality meets the requirements stipulated in Column B – QCVN 40:2011/BTNMT - National Technical Regulation on Industrial Wastewater.
- The company complies with the wastewater discharge permit regulations, including methods, schedules, and the amount of water discharged.

- Hazardous waste is collected and treated at water production facilities according to current legal regulations and as outlined in the approved environmental documentation.

b. Assessment Related to Employee Issues:

- The company maintains stable income for employees, with an average income of 16.53 million VND per person per month in 2024, which is 2.03% higher than 2022 and 1.4% higher than the planned figure for the year.

- The company has effectively implemented labor law policies, including social insurance, health insurance, and unemployment insurance for employees, ensuring that employees' income increases year over year. Additionally, the company provides personal insurance for all employees at a rate of 236,000 VND per person per year. The company has also worked with the Labor Union to provide financial assistance to 408 employees or their relatives (for illness, funerals), totaling 268.5 million VND from the welfare fund in 2023.

- The company has met all requirements for the Ministry of Public Security's inspection regarding fire prevention and safety regulations. It guides employees on adhering to labor safety regulations and fire prevention, and ensures that all employees are provided with appropriate protective equipment and uniforms, with proper fire safety measures in place at the office and water production facilities.

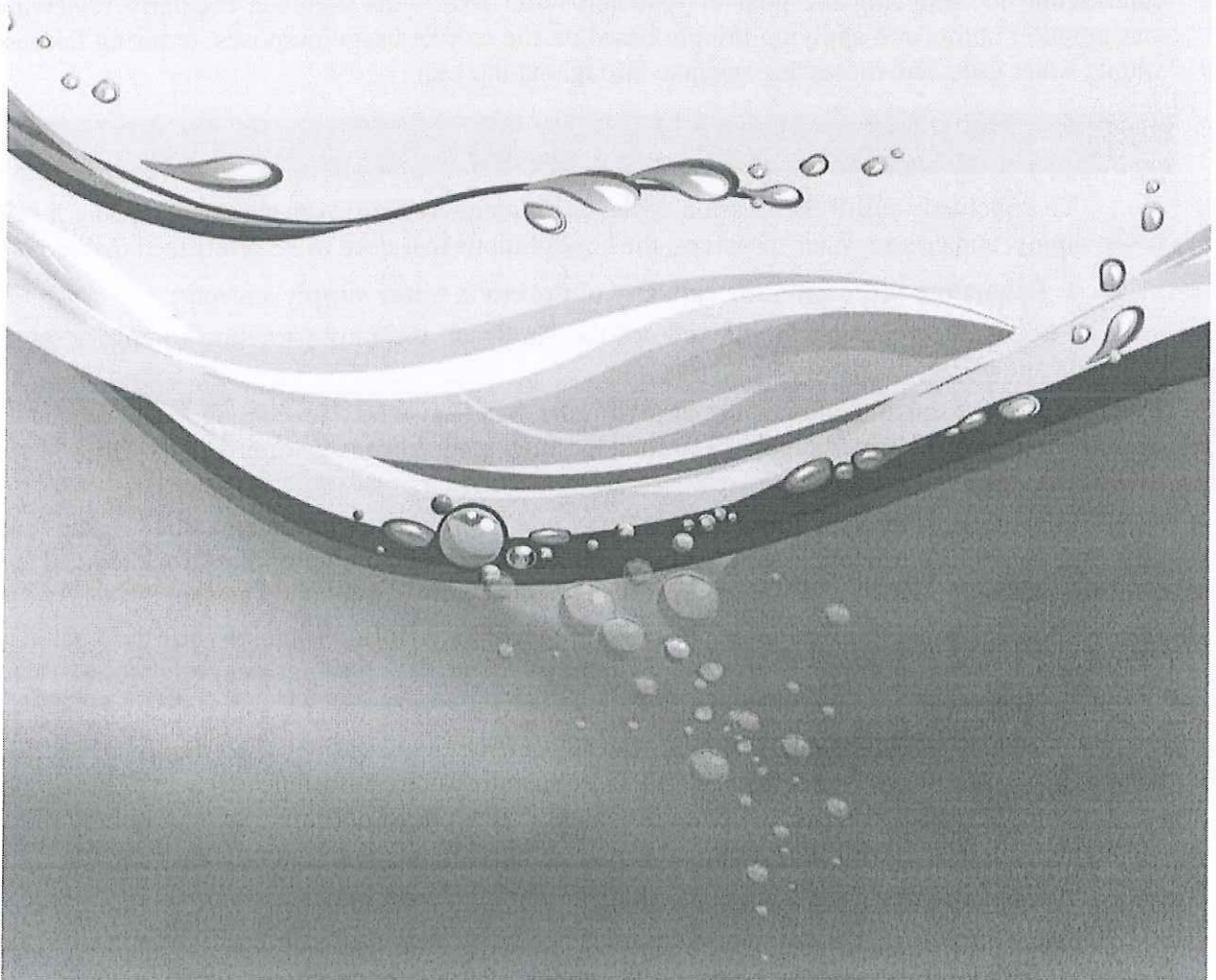
- The company focuses on employee health and organizes annual health check-ups for employees (two times per year).

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

- The company has actively contributed to the community through visits, support, and care for war invalid mothers, assisting poor households in Da Nang City and Quang Nam Province, supporting employees facing serious illnesses, and annually donating 1 billion VND to the "Xuân yêu thương" program through the Vietnam Fatherland Front of Da Nang City.

- The company actively participates in sports and cultural programs organized by the Da Nang City Federation of Labor

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



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

- The Company has effectively ensured a safe water supply, maintaining flow rate and pressure; no water shortages occurred in 2024.
- The Company has basically completed the 2024 business and production plan approved by the General Meeting of Shareholders and met financial targets.
- The Company has fully implemented policies for employees

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

- Overall, in 2024, the Executive Board closely followed the planned tasks, implementing business and production solutions in line with actual conditions and the resolutions of the General Meeting of Shareholders and the Board of Directors.
- The Executive Board proactively advised and promptly proposed important matters for the Company's Board of Directors to decide.
- Members of the Executive Board coordinated well in handling the Company's affairs.
- In 2024, the Executive Board collaborated in implementing the Company's key projects, contributing to achieving the goal of reducing water loss. This included regularly reviewing consumption norms and applying pricing based on the correct usage purposes, ensuring fairness among water users and increasing revenue throughout the year

3. The Board of Directors' strategic plan for 2025

To effectively fulfill the mission of the city's socio-economic development, ensure a safe water supply, and secure water resources, the key solutions that need to be prioritized include:

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

- Focus on proposing the upgrade of the An Trạch weir infrastructure to ensure stable operation and effective upstream water storage.
- Develop an operational scenario for the Sân Bay and Hòa Trung water plants in coordination with the water supply from the Hòa Liên plant to ensure water supply for the Liên Chiểu area.
- Ensure that production at water plants and supply stations remains stable, safe, and efficient, providing an adequate supply of non-saline raw water. Monitor and control chemical and electricity consumption at water plants and stations to minimize production costs.
- Maximize the utilization of the existing pipeline network, efficiently operate treatment facilities, newly completed transmission pipelines, and booster pump stations through the SCADA system to meet the city's water demand.
- Monitor water consumption trends and adjust operational settings accordingly to maintain balanced pressure and flow across the entire water supply system, ensuring sufficient water supply and minimizing water loss. Regulate the distribution network to optimize flow and pressure for each region and install additional online pressure monitoring points throughout the system.

2. Regarding Water Loss Prevention:

Maintain regular inspection and supervision of water pricing application, debt recovery

targets, invoice issuance targets, and average water unit price at water supply enterprises. Enhance customer service quality across the entire Company.

3. Regarding Water Loss Reduction:

- Focus on reviewing and adjusting water loss reduction strategies to ensure that the water loss rate falls below 11% by 2025.
- Research and develop smart water management solutions to establish a long-term, comprehensive investment plan.

4. Regarding production management and operations:

- Regularly maintain and service machinery, equipment, and treatment facilities at water plants/stations; closely monitor the flow and quality of raw water sources, promptly respond to droughts and saltwater intrusion to ensure stable, safe, and efficient water supply operations.
- Replace pumps and electrical equipment in water plants with high-efficiency pumps that consume less electricity and reduce power loss, thereby reducing operating costs. Implement network pipeline upgrades to meet water usage demands.
- Continue to improve and implement scientific and effective management regulations. Enhance discipline and work ethics, ensure compliance with the company's rules and regulations. Strengthen management efforts, reorganize labor appropriately, and focus on training, retraining, development, coaching, and fostering to build a high-quality workforce with industrial work ethics.
- Ensure compliance with regulations regarding water extraction and discharge, and take measures to protect the environment according to the Water Resources Law.
- Implement the safe water supply plan; ensure water quality in accordance with Vietnam's national standard QCVN01-2018/BYT from the Ministry of Health.

5. Regarding the implementation of key projects:

- Focus on designing and implementing the infrastructure projects for the development of the water supply network according to the 2024 plan to ensure water supply.

6. Regarding financial management tasks:

- The Board of Directors consistently prioritizes financial management tasks. Auditing and controlling financial expenditures in business operations and construction activities are strengthened, ensuring transparency and compliance with legal regulations.
- Fully implement information disclosure and shareholder relations in accordance with legal requirements

7. Regarding human resources management tasks:

- Maintain job stability, wages, and income for employees; ensure timely and full payment of social insurance, health insurance, and unemployment insurance for staff, and promptly propose to the Social Insurance Agency to process full payment for social insurance, health insurance, and retirement benefits. Continue to purchase 24/7 life insurance for employees.

- Maintain discipline and compliance with the company's rules and regulations. Plan and arrange the workforce appropriately, reorganize the structure to improve work efficiency and increase labor productivity.

- Focus on training efforts to enhance soft skills and knowledge, enabling employees to acquire new information, thereby improving labor productivity.

- Propose recruitment of qualified professionals to meet future workforce needs. Additionally, prioritize the retention and attraction of highly skilled talent who exceed the professional requirements of their assigned tasks.

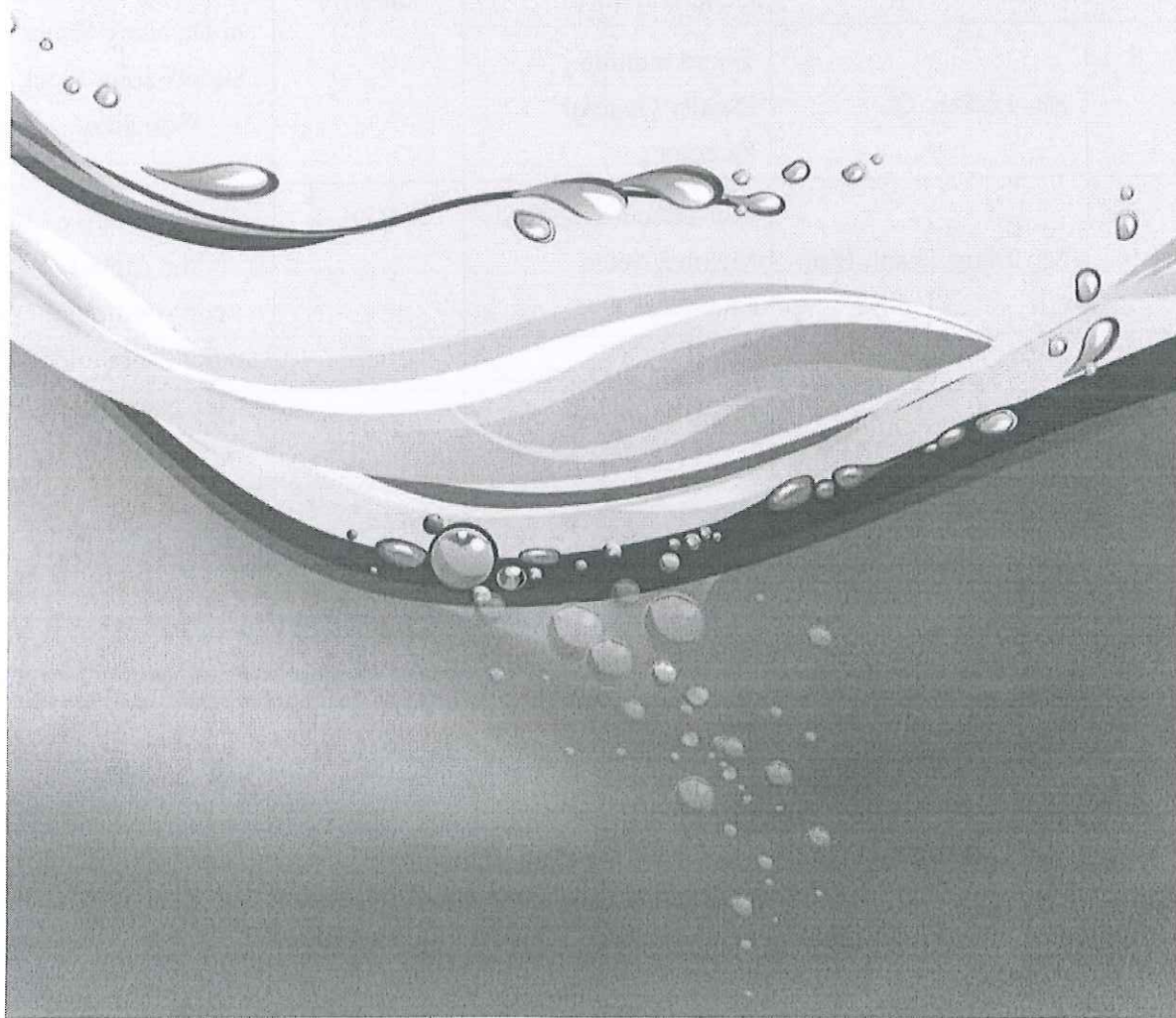
8. Regarding communication, customer care, and community activities:

- Continue to focus on communication efforts and customer engagement through the ZaloOA application, the company website, the customer care website, promoting and updating investment and production activities in a timely manner, as well as advocating for water conservation. These efforts aim to contribute to building a better, more friendly Dawaco image, providing professional customer service and care that appeals to both the public and businesses.

- Invest in and develop management software, and implement the digital transformation program by 2025.

- Maintain community support activities, assist charitable organizations, care for two heroic Vietnamese mothers (VNAH), and provide gifts to poor households in Da Nang city and Quang Nam province during the Lunar New Year.

V. CORPORATE GOVERNANCE



1. Board of Directors:**a. Member and Structure of the Board of Directors:**

The 2021-2026 term is including 05 members as follows: Mr. Hồ Hương-Chairman, Mr. Đặng Thanh Bình- Vice Chairman, Non executive Board Member; Mr. Hồ Minh Nam, Lê Đức Quý, Nguyễn Trường Ảnh are Board members.

No.	Board Members	Positions	The percentage of shares with voting rights	Notes
1	Mr. Hồ Hương	Chairman	60,08%	Representatives of the state-owned capital investment in Da Nang Water Supply Joint Stock Company.
2	Mr. Hồ Minh Nam	Board member, General Director		
3	Mr. Lê Đức Quý	Board member, Deputy General Director		
4	Mr. Đặng Thanh Bình	Non executive Board Member, Vice Chairman	35%	Representative of the capital contribution of major shareholders Da Nang Mien Trung JSC in Da Nang Water Supply Company.
5	Mr. Nguyễn Trường Ảnh	Non executive Board Member		

b. The Committees of the Board of Directors:

- The Subcommittees of Development and Investment
- The Subcommittees of Water Loss and Revenue Loss

c. Activities of the Board of Directors:

- The Board of Directors (BoD) exercises its rights and duties in accordance with the provisions of the Enterprise Law, relevant legal documents, the Company's Charter, and the Resolutions of the 2023 Annual General Meeting of Shareholders (AGM).

- Additionally, the BoD complies with the current legal regulations, including: Enterprise Law No. 59/2021/QH14, Securities Law No. 54/2019/QH14 of the National Assembly, and Government Decree No. 155/2021/ND-CP detailing the implementation of certain provisions of the Securities Law.

- The BoD implements internal governance regulations, including the Company's Governance Regulations, BoD Operational Regulations, and the Supervisory Board's Operational Regulations issued under Circular No. 116/2021/TT-BTC by the Ministry of Finance. These ensure better shareholder rights at Da Nang Water Supply Joint Stock Company and are structured based on practical experience and advanced governance practices.

- The BoD directs the Executive Board to carry out tasks in compliance with regulations and BoD Resolutions. It closely supervises the Executive Board's activities, provides timely guidance, and resolves proposals to maximize customer convenience and company efficiency. Additionally, it strictly oversees management and operations, ensuring the implementation of AGM Resolutions.

- The BoD has effectively supervised the Company's General Director to safeguard the interests of the State, shareholders, and employees. It continuously monitors the General Director's management of business operations and works with the Supervisory Board to oversee key areas, including:

- + Implementation of AGM Resolutions and the 2023 business plan targets.

- + Compliance with the Resolutions and Decisions issued by the BoD regarding business and corporate activities.

- Each month, the General Director reports key performance indicators to the BoD. During BoD meetings, the General Director also presents the current business performance and future directions, enabling the BoD to review and assess business execution, financial indicators, and other economic targets.

- Financial management has remained a key priority for the BoD. Financial auditing, expenditure control in business operations, and capital construction have been continuously strengthened, ensuring financial transparency in accordance with legal regulations.

- The Company has fully complied with information disclosure and shareholder relations regulations applicable to large-scale public companies.

- ***Number of Board of Directors Meetings:***

- In 2024, the Board of Directors held four meetings and conducted many instances of collecting opinions from the Board of Directors in writing. All Board meetings were attended in full by the Supervisory Board.

No.	Board Member	Positions	Number of meetings	Ratio %
1	Mr. Hồ Hương	Chairman of the Board of Directors	7/7	100
2	Mr. Đặng Thanh Bình	Non Executive Board Member, Vice Chairman of the Board of Directors	7/7	100
3	Mr. Hồ Minh Nam	Member of the Board of Directors / General Director	7/7	100
4	Mr. Lê Đức Quý	Member of the Board of Directors / Deputy General Director	7/7	100
5	Mr. Nguyễn Trường Ảnh	Member of the Board of Directors	7/7	100

d. The activities of subcommittees:

- The Subcommittees of Development and Investment

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

- The Subcommittees of Water Loss and Revenue Loss

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

e. Member of the Board of Directors possessing certificates on corporate governance training program in the year: In 2024, no Board Member attends this training.

2. The Board of Supervisors:

a. Member and Structure of Board of Supervisors:

The 2021-2026 term consists of three members holding positions in the Company as follows: Ms. Nguyễn Thị Thu Hà – Head of the Supervisory Board, Ms. Phạm Thị Quế Chi – Full-time Supervisor, Mr. Thái Quốc Khánh – Part-time Supervisor.

No.	Supervisory Board Member	Position	Start Date	End Date	Professional Qualification	Ownership percentage of voting shares	Number of Meetings
1.	Ms. Nguyễn Thị Thu Hà	Head of the Supervisory Board	29/10/2021		Bachelor of Economics – Major in Accounting	0%	4/4
2.	Ms. Phạm Thị Quế Chi	Full-time Supervisor, and Director of the Human Resources and Administration Department	29/10/2021		Bachelor of Economics – Major in Accounting	1,95%	4/4
3.	Mr. Thái Quốc Khánh	Part -time Member of the Supervisory Board	29/10/2021		Bachelor of Economics – Major in Accounting; Master of Finance; Doctor of Business Administration	0%	4/4

b. Activities of the Board of Supervisors:

- Fully attended Board of Directors meetings and executive meetings. Provided input on business operations, including inventory management, expediting settlement of construction projects, and wage regulations.
- Supervised the activities of the Board of Directors and monitored the management and business operations of the Executive Board in accordance with the Enterprise Law and the Company's Charter.
- Reviewed and monitored the issuance of Resolutions and Decisions by the Board of Directors and the Executive Board to ensure that company governance aligns with legal regulations and the resolutions of the General Meeting of Shareholders.
- Proposed the list of audit firms to conduct the semi-annual and annual financial audits for 2024.
- Evaluated the 2024 financial statements.
- Inspected and supervised the implementation of the company's 2023 business plans, reviewed management and operational reports, and ensured compliance with safety regulations in business operations while identifying potential risks (if any).

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

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

- Total salary and remuneration for the Board of Directors, Executive Board, and Supervisory Board in 2024: VND 4.881.600.000 Including:

- + Salary for full-time Board of Directors members (3 persons): VND 2.203.200.000
- + Remuneration for non-executive Board of Directors members (2 persons): VND 201.600.000
- + Salary for Executive Board members (2 persons): VND 1.296.000.000
- + Salary for full-time Supervisory Board members (2 persons): VND 1.101.600.000
- + Remuneration for non-executive Supervisory Board members (1 person): VND 79.200.000.

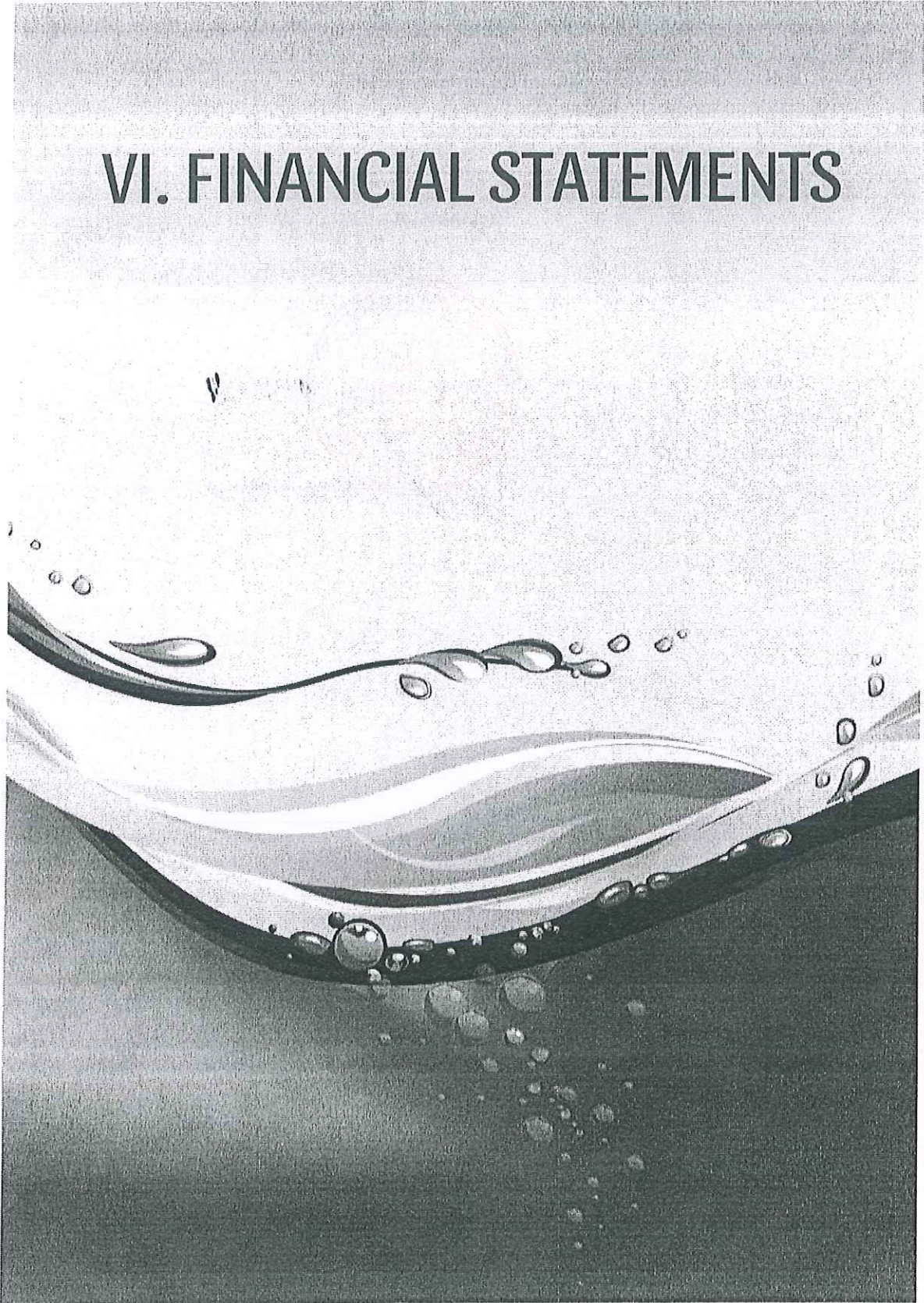
b.Share transactions by internal shareholders: None

c.Contracts or transaction with internal shareholders: None

d.Assessing the implementaion of regulations on corporate governance.

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

VI. FINANCIAL STATEMENTS



1. Auditor's Opinion: The auditor's opinion has been stated in the audited Consolidated Financial Statements for 2024.

2. Audited Consolidated Financial Statements for 2024:
(Attached the report file herewith)

CONFIRMATION BY THE COMPANY'S

LEGAL REPRESENTATIVE

(Signature, full name and seal)



Ho Minh Nam

VIETVALUES Audit and Consulting Co., Ltd

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Da Nang City

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AS OF DECEMBER 31, 2024

**DANANG WATER SUPPLY JOINT STOCK
COMPANY**

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Danang Water Supply Joint Stock Company presents this report together with the audited consolidated financial statements of Da Nang Water Supply Joint Stock Company (parent company) and Da Nang Water Supply Sewerage Construction Limited Company (subsidiary) (hereinafter referred to as “the Group”) for the fiscal year ended as of December 31, 2024.

1. Overview

Danang Water Supply Joint Stock Company (“the Company”) was incorporated on the basis of equitization of Da Nang Water Supply Co., Ltd under Decision No. 5354/QĐ-UBND dated 09/08/2016 by People’s Committee of Danang City. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated July 01, 2010 by Danang Department of Planning and Investment (this Enterprise Registration Certificate has been amended nine times, and the latest amendment was made on November 01, 2021), the Enterprise Law, the Company Charter and other relevant regulations.

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

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

Paid-in capital as at December 31, 2024: VND 579,640,610,000

Group structure

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

Subsidiary is consolidated

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

2. Head office

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

3. Principal activities

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

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

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

4.1 The Board of Directors

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

4.2 The Supervisory Board

Name	Position	Appointed date/ Re-appointed	Dismissed date
Ms. Nguyen Thi Thu Ha	Head of Board	29/10/2021	
Ms. Pham Thi Que Chi	Member	29/10/2021	
Mr. Thai Quoc Khanh	Member	29/10/2021	

4.3 The Board of General Managers and the Chief Accountant

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

5. The Legal Representative

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

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

6. Assess the operational status

On June 25, 2024, the People's Committee of Da Nang City issued Official Dispatch No. 3415/UBND-STC outlining its feedback on the proposal from the State Capital Representative at the Annual General Meeting of Shareholders of Danang Water Supply Joint Stock Company for 2024. According to the request in this Official Dispatch, the Company has adjusted the 2023 Financial Statements, creating a source of funds to reimburse the cost of using the value of clean water supply infrastructure assets invested by the State, investment units entrusted to the State for management, which the Company has assumed to exploit and utilize from June 2015 to December 31, 2023, with the amount of VND 66,057,265,726 (allocated across 2023 and 2024).

The Group has retrospectively restated its 2023 financial statements (refer to Note VIII.2 for details) to reflect the asset rental expense corresponding to the 2023 allocation value. The Group has also recorded the asset rental expense of VND 46,629,212,471 (allocated amount for 2024 and VND 13,600,579,607 lease payment for 2024 under Official Letter No. 300/STC-TCDN dated 24/01/2025) in the Income Statement for the financial year ended December 31, 2024.

The business results and financial position (consolidate) of the Group for the financial year ended December 31, 2024 have been expressed in the Financial Statements (consolidate) attached to this Report from page 08 to page 47.

7. Subsequent Events

In the opinion of the Board of Directors, the Consolidated Financial Statements of the Group for the six-month period ended December 31, 2024 would not be seriously affected by any important items, transactions, or any extraordinary events happened up to the reporting date, which need any adjustments to the figures or disclosures in the Consolidated Financial Statements

8. Auditor

Branch of **VIETVALUES** Audit and Consulting Co., Ltd. in Da Nang city has performed the audit on the Group's consolidated financial statements for the fiscal year ended as of December 31, 2024.

9. Responsibility of the Board of General Managers

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

DANANG WATER SUPPLY JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF DIRECTORS

Address: No 57 Xo Viet Nghe Tinh Street, Hai Chau District, Danang City

For the fiscal year ended as of December 31, 2024

- Selecting suitable accounting policies and then applying them consistently.
- Making judgments and estimates that are reasonable and prudent.
- Stating whether applicable accounting principles have been followed or not, and there are any significant discrepancies that should be presented and explained in the financial statements or not.
- Preparing the financial statement ongoing concern basis, unless it is inappropriate to presume that the Company will continue as a going concern.
- Establishing and implementing the internal control systems effectively in order to limit the risks of material misstatement due to fraud or mistakes in the preparation and presentation of consolidated financial statements.

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

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

10. Approval of Consolidated Financial Statements

We, the Board of Directors has approved the accompanying consolidated financial statements. The consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and the consolidated results of operations and cash flows for the fiscal year ended as of December 31, 2024 in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting regime and the legal provisions relating to the preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



HO HUONG

Chairman of the Board of Directors

Danang, March 04, 2025

No: 09/2025/BCKT/AUD-DNVVALUES

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Consolidated Financial Statements of Danang Water Supply Joint Stock Company and Da Nang Water Supply Sewerage Construction Limited Company (hereinafter referred to as "the Group"), prepared on March 04, 2025, from page 08 to page 47, which comprise the Consolidated Balance Sheet at December 31, 2024, Consolidated Income Statement, Consolidated Statement of Cash Flows for the fiscal year ended as of December 31, 2024 and Notes to the consolidated financial statements.

The Board of General Managers' responsibility

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

Auditor's responsibility

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

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

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

Basis for the qualified opinion

Refer to Note VIII.2, according to Point 1 of Official Dispatch No. 3415/UBND-STC dated June 25, 2024, of the People's Committee of Da Nang City: " We recommend the State Capital Representative to

provide an opinion so that the Water Supply Company adjusts its 2023 financial statements by creating a funding source to reimburse the cost of using the value of infrastructure assets for clean water supply, which were invested with state budget funds and are managed by the state. These assets were taken over by the Company for exploitation and use from June 2015 to December 31, 2023, with a minimum amount of VND 66,057,265,726 (allocated in 2023 and 2024)". Accordingly, the Group retrospectively adjusted the 2023 financial statements for the expense related to the use of water supply infrastructure assets, amounting to VND 33,028,632,863 (of which the increase in expense for 2023 was VND 23,422,656,621). The adjustment for the financial year ending December 31, 2024, is VND 33,028,632,863 (allocated to 2024 expenses). As of December 31, 2024, the Group had fully allocated the total amount of VND 66,057,265,726.

This adjustment is not in compliance with the provisions of Vietnamese Accounting Standard No. 29 on Changes in Accounting Policies and Accounting Estimates, issued by the Ministry of Finance under Decision No. 12/2005/QĐ-BTC dated February 15, 2005. Accordingly, if the retroactive adjustment is correctly applied, on the Consolidated Income Statement in 2024, the "Cost of goods sold" item will decrease by VND 33,028,632,863, and the "Accounting profit before tax" item will increase by the corresponding amount; on the Consolidated Balance Sheet as of December 31, 2023, the "Taxes and other receivables from State budget" item will rise by VND 3,302,863,286, the "Other short-term payables" item will grow by VND 33,028,632,863, the "Undistributed profit after tax" item will be VND 53,808,055,262 instead of VND 83,533,824,839 as in the attached Financial Statement.

Qualified opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified opinion" paragraph, Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at December 31, 2024, and the consolidated results of its operations, its consolidated cash flows for the fiscal year then ended in accordance with Vietnamese Accounting Standards, Vietnamese corporate accounting regime as well as legal regulations related to the preparation and fair presentation of the consolidated financial statements.

Da Nang, March 04, 2025

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



Tran Xuan Thanh – Director of Branch
Audit Practicing Registration Certificate
 No: 1650-2023-071-1
Authorized signature

Tran Quoc Bao - Auditor
Audit Practicing Registration Certificate
 No. 5199-2021-071-1

File:

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

DANANG WATER SUPPLY JOINT STOCK COMPANY

Address: No 57 Xo Viet Nghe Tinh Street, Hai Chau District, Da Nang City

Consolidated Balance Sheet

As at December 31, 2024

CONSOLIDATED BALANCE SHEET

As at December 31, 2024

Unit: VND

Code	ASSETS	Notes	31/12/2024	01/01/2024
1	2	3	4	5
100	A. SHORT-TERM ASSETS		509,979,518,239	552,266,982,314
110	I. Cash and cash equivalents	V.1	51,135,908,220	66,799,499,032
111	1. Cash		51,135,908,220	66,799,499,032
112	2. Cash equivalents		-	-
120	II. Short-term financial investments		361,488,224,415	362,705,964,120
121	1. Trading securities		-	-
123	2. Held-to-maturity investments	V.2	361,488,224,415	362,705,964,120
130	III. Short-term receivables		27,281,724,088	27,164,037,149
131	1. Short-term trade receivables	V.3	17,087,711,867	15,813,731,912
132	2. Short-term prepayments to suppliers	V.4	1,896,001,013	1,821,502,922
136	3. Other short-term receivables	V.5	16,286,543,075	17,433,133,559
137	4. Short-term allowances for doubtful debts	V.6	(7,988,531,867)	(7,904,331,244)
140	IV. Inventories	V.7	42,443,524,082	40,310,899,069
141	1. Inventories		42,443,524,082	40,310,899,069
142	2. Allowances for decline in value of inventories (*)		-	-
150	V. Other short-term assets		27,630,137,434	55,286,582,944
151	1. Short-term prepaid expenses	V.8a	416,714,853	241,579,478
152	2. Deductible VAT	V.14	17,616,194,694	32,891,149,249
153	3. Taxes and other receivables from State budget	V.14	9,597,227,887	22,153,854,217
200	B. LONG-TERM ASSETS		1,045,602,863,716	1,121,163,129,779
210	I. Long-term receivables		-	-
215	1. Long-term loan receivables		-	-
216	2. Other long-term receivables		-	-
220	II. Fixed assets		1,002,883,388,396	1,039,088,326,147
221	1. Tangible fixed assets	V.9	1,000,790,221,728	1,038,767,917,807
222	- Historical costs		2,575,899,715,202	2,499,570,358,508
223	- Accumulated depreciation		(1,575,109,493,474)	(1,460,802,440,701)
227	2. Intangible fixed assets	V.10	2,093,166,668	320,408,340
228	- Historical costs		11,738,575,951	9,696,575,951
229	- Accumulated depreciation		(9,645,409,283)	(9,376,167,611)
240	IV. Long-term assets in progress		33,241,663,169	73,260,275,460
241	1. Long-term work in progress		-	-
242	2. Construction in progress	V.11	33,241,663,169	73,260,275,460
250	V. Long-term financial investments		-	-
260	VI. Other long-term assets		9,477,812,151	8,814,528,172
261	1. Long-term prepaid expenses	V.8b	9,477,812,151	8,814,528,172
262	2. Deferred tax assets		-	-
270	TOTAL ASSETS		1,555,582,381,955	1,673,430,112,093

DANANG WATER SUPPLY JOINT STOCK COMPANY

Address: No 57 Xo Viet Nghe Tinh Street, Hai Chau District, Da Nang City

Consolidated Balance Sheet (cont'd)

As at December 31, 2024

Code	RESOURCES	Notes	31/12/2024	01/01/2024
1	2	3	4	5
300	C. LIABILITIES		778,491,445,126	883,511,667,237
310	I. Short-term liabilities		298,754,599,437	327,138,827,481
311	1. Short-term trade payables	V.12	42,469,751,122	82,941,488,359
312	2. Short-term prepayments from customers	V.13	980,710,123	651,868,804
313	3. Taxes and other payables to State budget	V.14	7,142,123,949	6,946,823,682
314	4. Payables to employees	V.15	29,399,507,369	25,660,461,025
315	5. Short-term accrued expenses	V.16	2,207,585,966	2,320,296,950
319	6. Other short-term payables	V.17a	149,124,291,276	139,309,090,756
320	7. Short-term borrowings and finance lease liabilities	V.18a	60,483,921,067	61,929,759,608
322	8. Bonus and welfare fund	V.19	6,946,708,565	7,379,038,297
330	II. Long-term liabilities		479,736,845,689	556,372,839,756
337	1. Other long-term payables	V.17b	90,364,937,728	104,761,271,825
338	2. Long-term borrowings and finance lease liabilities	V.18b	384,575,177,736	445,073,763,147
341	3. Deferred income tax payables		321,530,803	170,605,362
343	4. Science and technology development fund		4,475,199,422	6,367,199,422
400	D. OWNER'S EQUITY		777,090,936,829	789,918,444,856
410	I. Owner's equity	V.20	776,512,313,620	789,100,391,353
411	1. Contributed capital		579,640,610,000	579,640,610,000
411a	- Ordinary shares with voting rights		579,640,610,000	579,640,610,000
411b	- Preference shares		-	-
412	2. Capital surplus		8,993,538,265	8,993,538,265
418	3. Development and investment funds		128,098,140,692	117,103,023,611
421	4. Undistributed profit after tax		59,780,024,663	83,363,219,477
421a	- Undistributed profit after tax brought forward		-	-
421b	- Undistributed profit after tax for the current year		59,780,024,663	83,363,219,477
430	II. Funding sources and other funds		578,623,209	818,053,503
431	1. Funding sources		-	-
432	2. Funds used for fixed asset acquisition	V.21	578,623,209	818,053,503
440	TOTAL RESOURCES		1,555,582,381,955	1,673,430,112,093

Prepare

PHAM HONG MINH

Chief Accountant

PHAN THINH

Da Nang, March 04, 2025

General Manager

HO MINH NAM



DANANG WATER SUPPLY JOINT STOCK COMPANY

Address: No 57 Xo Viet Nghe Tinh Street, Hai Chau District, Da Nang City

Consolidated Income Statement

For the fiscal year ended as of December 31, 2024

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended as of December 31, 2024

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
1	2	3	4	5
01	1. Revenues from sales and services rendered	VI.1	644,687,222,815	596,008,090,946
02	2. Revenue deductions		-	-
10	3. Net revenues from sales and services rendered		644,687,222,815	596,008,090,946
11	4. Costs of goods sold	VI.2	447,440,832,653	363,893,581,553
20	5. Gross revenues from sales and services rendered		197,246,390,162	232,114,509,393
21	6. Financial income	VI.3	24,903,652,055	27,240,728,625
22	7. Financial expenses	VI.4	28,798,461,146	29,950,887,311
23	- In which: Interest expenses		28,798,461,146	29,950,386,864
24	8. Profit or loss of associates and joint ventures		-	-
25	9. Selling expenses	VI.5	38,100,686,812	35,226,417,367
26	10. General administration expenses	VI.6	47,817,079,406	45,659,242,462
30	11. Net profits from operating activities		107,433,814,853	148,518,690,878
31	12. Other income	VI.7	5,138,302,526	3,048,293,738
32	13. Other expenses		465,346,780	578,339,798
40	14. Other profits		4,672,955,746	2,469,953,940
50	15. Total net profit before tax		112,106,770,599	150,988,644,818
51	16. Current corporate income tax expenses	V.14	11,600,977,796	15,445,150,307
52	17. Deferred corporate income tax expenses	V.14	150,925,441	12,620,133
60	18. Profits after corporate income tax		100,354,867,362	135,530,874,378
61	19. Net profit after tax of the parent		100,354,867,362	135,530,874,378
62	20. Net profit after tax of NCI		-	-
70	21. Basic earnings per share	VI.8	1,547	2,090
71	22. Diluted earnings per share	VI.9	1,547	2,090

Prepare


PHAM HONG MINH

Chief Accountant


PHAN THINH

Da Nang, March 04, 2025

General Manager

**HO MINH NAM**

These statements should be read in conjunction with the Notes to the Financial Statement

DANANG WATER SUPPLY JOINT STOCK COMPANY

Address: No 57 Xo Viet Nghe Tinh Street, Hai Chau District, Da Nang City

Statement of consolidated cash flows

For the fiscal year ended as of December 31, 2024

STATEMENT OF CONSOLIDATED CASH FLOWS

(Indirect method)

For the fiscal year ended as of December 31, 2024

Unit: VND

Code	Items	Notes	Current year	Previous year
1	2	3	4	5
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		112,106,770,599	150,988,644,818
	2. Adjustments for			
02	- Depreciation of fixed assets and investment properties	V.9, V.11	114,802,981,917	100,124,901,959
03	- Provisions		84,200,623	(27,826,094)
04	- Gains (losses) on exchange rate differences from revaluation of accounts derived from foreign currencies		(14,643,447)	(8,417,896)
05	- Gains (losses) on investing activities	VI.3	(24,869,189,069)	(26,501,539,296)
06	- Interest expenses	VI.4	28,798,461,146	29,950,386,864
07	- Other adjustments		-	-
08	3. Operating profit before changes in working capital		230,908,581,769	254,526,150,355
09	- Increase (decrease) in receivables		16,863,393,761	12,005,781,686
10	- Increase (decrease) in inventories		(2,113,038,886)	(3,404,076,340)
11	- Increase (decrease) in payables (exclusive of interest payables, enterprise income tax payables)		(44,278,361,777)	15,370,989,026
12	- Increase (decrease) in prepaid expenses		(838,419,354)	(436,729,157)
14	- Interest paid		(28,872,942,880)	(29,998,504,028)
15	- Corporate income tax paid	V.14	-	-
16	- Other receivables on operating activities		-	-
17	- Other payments on operating activities		(16,728,371,128)	(12,918,291,230)
20	Net cash flows from operating activities		154,940,841,505	235,145,320,312
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
	1. Expenditures on purchase and construction of fixed assets and long-term assets		(38,858,202,529)	(90,174,038,793)
21	2. Expenditures on loans and purchase of debt instruments from other entities		(315,737,978,104)	(403,113,394,257)
23	3. Proceeds from lending or repurchase of debt instruments from other entities		316,955,717,809	380,316,211,697
24	4. Proceeds from interests, dividends and distributed profits		27,504,714,711	24,998,735,333
27	Net cash flows from investing activities		(10,135,748,113)	(87,972,486,020)
30	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	VII.1	-	42,646,463,927
34	2. Repayment of principal	VII.2	(61,944,423,952)	(47,041,005,740)
36	3. Dividends and profits paid to owners	V.20	(98,538,903,700)	(127,520,934,201)
40	Net cash flows from financing activities		(160,483,327,652)	(131,915,476,014)
50	Net cash flows during the fiscal year (20+30+40)		(15,678,234,260)	15,257,358,278
60	Cash and cash equivalents at the beginning of fiscal year		66,799,499,032	51,533,756,275
61	Effect of exchange rate fluctuations		14,643,447	8,384,479
70	Cash and cash equivalents at the end of fiscal year	V.1	51,135,908,220	66,799,499,032

Prepare

PHAM HONG MINH

Chief Accountant

PHAN THINH

Da Nang, March 04, 2025

General Manager

HO MINH NAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended as of December 31, 2024

These notes are an integral part of and should be read in conjunction with the audited Consolidated Financial Statements for the fiscal year ended as of December 31, 2024 of Da Nang Water Supply Joint Stock Company (parent company) and Da Nang Water Supply Sewerage Construction Limited Company (subsidiary) (hereinafter referred to as "the Group").

I. NATURE OF OPERATIONS

1. Forms of ownership

Da Nang Water Supply Joint Stock Company (hereinafter referred to as "the Company") was incorporated on the basis of equitization of Da Nang Water Supply Co., Ltd under Decision No. 5354/QĐ-UBND dated 09/08/2016 by Da Nang City People's Committee. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated 01/7/2010 by Da Nang City Planning and Investment Department (this Enterprise Registration Certificate has been amended 9 times, and the nearest amendment was made on 01/11/2021), the Enterprise Law, its Charter and other relevant regulations.

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

2. Principal scope of business

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

3. Operating activities

The Group's operating activities are:

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

4. Normal production and business cycle

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

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

On June 25, 2024, the People's Committee of Da Nang City issued Official Dispatch No. 3415/UBND-STC outlining its feedback on the proposal from the State Capital Representative at the Annual General Meeting of Shareholders of Danang Water Supply Joint Stock Company for 2024. According to the request in this Official Dispatch, the Parent Company has adjusted the Financial Statements for the year 2023, creating a source of funds to reimburse the cost of using the value of clean water supply infrastructure assets invested by the State, investment units entrusted to the State for management, which the Parent Company has assumed to exploit and utilize from June 2015 to December 31, 2023, with the amount of VND 66,057,265,726 (allocated across 2023 and 2024).

The Group has retrospectively restated its financial statements in 2023 (refer to Note VIII.2 for details) to reflect the asset rental expense corresponding to the 2023 allocation value. The Group has also recorded the asset rental expense of VND 46,629,212,471 (the allocated amount for 2024 and VND 13,600,579,607 in lease expenses for 2024 under Official Letter No. 300/STC-TCDN dated 24/01/2025) in the statement of profit or loss for the financial year ended December 31 2024.

6. Group Structure

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

Number of consolidated subsidiaries: 01

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

7. Employees

As on December 31, 2024, there are 532 persons who are working at the Group. (There are 519 persons as at January 1, 2024).

II. THE FISCAL YEAR, THE CURRENCY USED IN ACCOUNTING

1. The fiscal year

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

Particularly for this Financial Report is the Consolidated Financial Report for the fiscal year ending December 31, 2024.

2. The currency used in accounting

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

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting standards and system

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

Accordingly, the consolidated statement of financial position on December 31, 2024, consolidated income statement, consolidated statement of cash flows and notes to the consolidated financial statement are not intended for persons who are not provided with information on accounting procedures, principles and practices in Vietnam. And furthermore, they are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with widely accepted accounting principles and practices in countries and territories other than Vietnam.

2. Declaration of compliance with accounting standards and system

The Board of General Managers ensures compliance with the requirements of Vietnamese accounting standards and Vietnamese corporate accounting regime issued in accordance with Circular No. 200/2014/TT-BTC dated 22/12/2014, Circular No. 202/2014/TT-BTC dated 22/12/2014 as well as circulars guiding the implementation of accounting standards of the Ministry of Finance related to the preparation and presentation of consolidated financial statements for the fiscal year ended December 31, 2024.

IV. APPLICABLE ACCOUNTING POLICIES

1. Basis of preparing the consolidated financial statements

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

2. Basis of consolidation

Subsidiary

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

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

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

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

Non-controlling interest represent the portion of profit or loss of subsidiaries not held by the parent company, they are presented separately in the consolidated income statement for the fiscal year ended as of December 31, 2024 and the consolidated balance sheet as on December 31, 2024 (within Equity). Non-Controlling Interest consist of the amount of benefit at the date of the original business combination and benefit at the change in equity since the date of the combination. Losses in subsidiaries are attributed to the non-controlling shareholders corresponds to their possessive part even if the loss is greater than the non-controlling shareholder's share of the subsidiary's net assets.

3. Cash and cash equivalents

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

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

4. Financial investments

Held-to-maturity investments

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

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

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

5. Receivables

Receivables are presented at cost less allowance for doubtful receivables.

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

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

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

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

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

6. Inventories

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

Inventories' cost is determined that:

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

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

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

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

7. Prepaid expenses

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

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

Tools and instruments

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

Cost of repairing fixed assets

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

Other prepaid expenses

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

8. Tangible fixed assets

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

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

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

<u>Kind of assets</u>	<u>Useful life (year)</u>
Buildings, Architectures	10 – 25
Machinery, equipment	06 – 15
Means of transportation	05 – 15
Equipment and management tools	04 – 10
Other intangible fixed assets	06 - 12

9. Intangible fixed assets

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

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

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

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

Intangible fixed assets of the Group as follows:

Software program

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

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

10. Business combination and Goodwill

Business combinations shall be accounted for by applying the acquisition method. Cost of the business combination consists of: the aggregate of the fair values, at the date of exchange, of assets

given, liabilities incurred or admitted, and equity instruments issued by the acquirer, in exchange for control of the acquiree and any costs directly attributable to the business combination. Acquired identifiable assets and liabilities and contingent liabilities in a business consolidation shall be recorded according to the fair value date of obtaining control.

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

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

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

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

11. Liabilities and accruals

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

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

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

12. Loans and finance lease liabilities

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

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

13. Owners' equity

The owner's contributed capital

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

Share premium

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

14. Profit distribution

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

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

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

15. Recognition of revenue

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

Revenue from sales

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

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

Revenue from services rendered

Revenue of a service provision transaction is recognized when the outcome of that transaction is determined reliably. In case the service is performed for many periods, the revenue recorded during the period is based on the results of the work completed on the end of the fiscal year date. The outcome of the service provision transaction is determined when all of the following conditions are satisfied:

- Revenue is determined relatively reliably.
- It is possible to obtain economic benefits from the service provision.
- Determine the completed work portion at the end of the fiscal year.
- Determine the costs incurred for the transaction and the cost to complete the transaction to provide that service.

Revenue from lease operating assets

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

Interest

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

Dividends and shared profit

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

16. Revenue deductions

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

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

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

17. Cost of goods sold

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

18. Financial expenses

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

19. Selling expenses and General administration expenses

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

20. Borrowing costs

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

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

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

21. Corporate income tax

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

Current income tax

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

Deferred corporate income tax

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

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

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

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

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

22. Foreign currency transaction

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

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

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

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

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

- For foreign currency accounts in banks: the buying rate of the bank where the Group opens its foreign currency accounts.
- For monetary items denominated in foreign currencies classified as other assets: the buying rate of the bank where the Group regularly has transactions (JSC Bank for Foreign Trade of Da Nang, buying exchange rate on January 1, 2024: 24,080 VND/USD and on December 31, 2024: 25,251 VND/USD)
- For monetary items denominated in foreign currencies classified as liabilities: the selling rate of the bank where the Group regularly has transactions. Joint Stock Commercial Bank for

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Foreign Trade of Da Nang selling exchange rate on January 1, 2024: 24,420 VND/USD and on December 31, 2024: 25,551 VND/USD

23. Related parties

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

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

24. Segment reporting

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

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

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

1. Cash and cash equivalents

	Dec 31, 2024	Jan 01, 2024
Cash in hand	56,242,485	28,551,866
Cash at bank	51,079,665,735	66,770,947,166
Total	51,135,908,220	66,799,499,032

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2. Held-to-maturity investments

	Dec 31, 2024	Jan 01, 2024
More than 3 months to 1 year term deposits	361,488,224,415	362,705,964,120
- EVN Finance Joint Stock Company	130,000,000,000	135,000,000,000
- Vietnam Asia Commercial Joint Stock Bank - Da Nang Branch	97,000,000,000	30,000,000,000
- SaiGon-HaNoi Commercial Joint Stock Bank - Da Nang Branch	52,400,000,000	38,000,000,000
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	37,000,000,000	-
- HCM City Development JSC Bank - Da Nang Branch	30,000,000,000	-
- Vietnam Thuong Tin Commercial Joint Stock Bank - Thanh Khe Branch	7,000,000,000	32,000,000,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Danang Branch	5,787,283,615	5,561,964,120
- Nam A Comercial Join Stock Bank - Da Nang Branch	2,300,940,800	52,144,000,000
- Vietnam Public Joint Stock Commercial Bank - Da Nang Branch	-	70,000,000,000
Total	361,488,224,415	362,705,964,120

There were no deposits pledged or loans secured as of December 31, 2024.

3. Short-term trade receivables

	Dec 31, 2024	Jan 01, 2024
<i>Receivables from customers being related parties</i>	-	-
<i>Receivables from other customers</i>	17,087,711,867	15,813,731,912
- Trung Nam Hue Crossroad BT Limited Company	4,129,593,002	4,090,711,000
- Others	12,958,118,865	11,723,020,912
Total	17,087,711,867	15,813,731,912

As of December 31, 2024, the overdue customer receivable balance is VND 7,527,496,376. The Group has made provisions for bad debts according to regulations.

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4. Short-term prepayment to suppliers

	Dec 31, 2024	Jan 01, 2024
Prepayments to related parties	-	-
Prepayments to other entities	1,896,001,013	1,821,502,922
VisNam Informatics Technology Solution and Business Company Limited	314,880,000	-
Phan Huu Luyen	185,000,001	185,000,001
BETACO Consultancy and Construction Joint Stock Company	-	366,818,691
Others	1,396,121,012	1,269,684,230
Total	<u>1,896,001,013</u>	<u>1,821,502,922</u>

As of December 31, 2024, the balance of short-term prepayments to sellers determined to be bad debt is VND 944,052,313. The Group has made provisions for bad debts according to regulations.

5. Other short-term receivables

	Dec 31, 2024		Jan 01, 2024	
	Amount	Allowance	Amount	Allowance
Receivables from related parties	-	-	-	-
Receivables from other entities	10,781,218,815	-	13,156,341,492	-
- Accrued interest	8,779,741,007	-	11,395,512,416	-
- Advance	2,001,477,808	-	1,760,829,076	-
- Short-term deposits	1,190,078,000	-	763,818,000	-
- Other receivables	4,315,246,260	-	3,512,974,067	-
Total	<u>16,286,543,075</u>	<u>-</u>	<u>17,433,133,559</u>	<u>-</u>

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

As at 31/12/2024, the Group has no other receivables that are past due or uncollectible.

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6. Short-term allowances for doubtful debts

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Allowances for receivable debt which has been overdue for 3 years or more	7,380,094,026	7,218,068,644
Allowances for receivable debt which has been overdue for between 2 years and under 3 years	344,081,448	245,093,394
Allowances for receivable debt which has been overdue for between 1 year and under 2 years	210,958,681	348,751,430
Allowances for receivable debt which has been overdue for between over 6 months and under 1 year	53,397,713	92,417,777
Closing balance	<u>7,988,531,867</u>	<u>7,904,331,244</u>

Statement of changes in allowances for short-term doubtful debts

	<u>Current year</u>	<u>Previous year</u>
Opening balance	7,904,331,244	7,932,157,338
Increase	84,200,623	-
Decrease	-	(27,826,094)
Closing balance	<u>7,988,531,867</u>	<u>7,904,331,244</u>

7. Inventories

	<u>Dec 31, 2024</u>		<u>Jan 01, 2024</u>	
	<u>Historical cost</u>	<u>Allowance</u>	<u>Historical cost</u>	<u>Allowance</u>
Raw materials	40,197,139,972	-	37,487,222,453	-
Tools and supplies	363,155,106	-	366,331,527	-
Work in progress	1,883,229,004	-	2,457,345,089	-
Total	<u>42,443,524,082</u>	<u>-</u>	<u>40,310,899,069</u>	<u>-</u>

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

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

- Work in progress is the value of uncompleted and untested grave construction works as on December 31, 2024.

- There is no stagnant, inferior quality inventory as on December 31, 2024.

- There is no inventory for collateral, mortgaged to ensure the debt as on December 31, 2024.

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8. Prepaid expenses

8a. Short-term

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Insurance expense	281,583,351	91,424,475
Other short-term prepaid expenses	135,131,502	150,155,003
Total	<u>416,714,853</u>	<u>241,579,478</u>

The movement of short-term prepaid expenses during the period

	<u>Current year</u>	<u>Previous year</u>
Opening balance	241,579,478	208,502,648
Increase	1,030,295,698	818,595,690
Allocation in the year	(855,160,323)	(785,518,860)
Closing balance	<u>416,714,853</u>	<u>241,579,478</u>

8b. Long-term

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Cost of installing branch pipes	4,432,764,564	4,060,414,502
Other instrument & tools awaiting for allocation	5,045,047,587	4,754,113,670
Total	<u>9,477,812,151</u>	<u>8,814,528,172</u>

The movement of long-term prepaid expenses during the period

	<u>Current year</u>	<u>Previous year</u>
Opening balance	8,814,528,172	8,410,875,845
Increase	13,898,116,716	12,019,951,140
Decrease	(73,717,846)	-
Allocation in the year	(13,161,114,891)	(11,616,298,813)
Closing balance	<u>9,477,812,151</u>	<u>8,814,528,172</u>

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9. Tangible fixed assets

	Buildings and Architecture	Machinery and equipment	Means of transportation & transmitters	Office equipment	Other fixed assets	Total
Historical cost						
Opening balance	187,141,408,741	149,032,115,018	2,153,858,529,088	8,397,148,314	1,141,157,347	2,499,570,358,508
Increasing in the year	21,484,611,138	7,410,427,467	47,939,776,215	-	-	76,834,814,820
+ Completed construction	21,484,611,138	6,865,027,467	47,939,776,215	-	-	76,289,414,820
+ Purchase	-	545,400,000	-	-	-	545,400,000
Decreasing in the year	-	(206,243,396)	(299,214,730)	-	-	(505,458,126)
+ Dismantling due to replacement, renovation	-	(206,243,396)	(299,214,730)	-	-	(505,458,126)
Closing balance	208,626,019,879	156,236,299,089	2,201,499,090,573	8,397,148,314	1,141,157,347	2,575,899,715,202
Depreciation						
Opening balance	158,639,862,619	89,066,266,125	1,206,302,364,306	6,255,589,154	538,358,497	1,460,802,440,701
Increasing in the year	5,765,238,337	12,973,251,848	95,438,859,622	516,178,670	79,642,062	114,773,170,539
+ Depreciation during the year	5,765,238,337	12,973,251,848	95,438,859,622	516,178,670	79,642,062	114,773,170,539
Decreasing in the year	-	(206,243,396)	(259,874,370)	-	-	(466,117,766)
+ Dismantling due to replacement, renovation	-	(206,243,396)	(259,874,370)	-	-	(466,117,766)
Closing balance	164,405,100,956	101,833,274,577	1,301,481,349,558	6,771,767,824	618,000,559	1,575,109,493,474
Net book value						
Opening balance	28,501,546,122	59,965,848,893	947,556,164,782	2,141,559,160	602,798,850	1,038,767,917,807
Closing balance	44,220,918,923	54,403,024,512	900,017,741,015	1,625,380,490	523,156,788	1,000,790,221,728

Cost of fixed assets that have depreciated fully are still using as on December 31, 2024: VND 1,201,125,430,569.

No tangible fixed assets pending liquidation as on December 31, 2024.

Carrying amount of fixed assets mortgaged for loans as on December 31, 2024: VND 742,131,557,383 (refer to Note V.18).

These notes are an integral part and should be read in conjunction with
the consolidated financial statements for the fiscal year ended as of December 31, 2024

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10. Intangible fixed assets

	Website	Accounting Software	Management Software	Total
Historical cost				
Opening balance	-	54,000,000	9,642,575,951	9,696,575,951
Increase during the year	150,000,000	-	1,892,000,000	2,042,000,000
Decrease during the year	-	-	-	-
Closing balance	150,000,000	54,000,000	11,534,575,951	11,738,575,951
Depreciation				
Opening balance	-	54,000,000	9,322,167,611	9,376,167,611
Depreciation during the year	31,250,000	-	237,991,672	269,241,672
Foreign exchange differences	-	-	-	-
Closing balance	31,250,000	54,000,000	9,560,159,283	9,645,409,283
Net book value				
Opening balance	-	-	320,408,340	320,408,340
Closing balance	118,750,000	-	1,974,416,668	2,093,166,668

Cost of intangible fixed assets that have depreciated fully are still using as on December 31, 2024: VND 8,961,375,951.

No intangible fixed assets mortgaged for loans as on December 31, 2024.

11. Construction in progress

	Dec 31, 2024	Jan 01, 2024
- Project on expansion Da Nang water supply system period 2012 - 2018	4,578,238,041	13,852,173,296
- Increasing the capacity of An Trach saltwater prevention pumping station from 210,000 m3/day to 420,000 m3/day	62,715,462	12,700,934,548
- Construction of technical infrastructure for Red Bright Water Factory	71,078,509	10,726,470,896
- Other projects	28,529,631,157	35,980,696,720
Total	33,241,663,169	73,260,275,460

(*) The value of construction investment costs in progress that are being mortgaged for bank loans as of December 31, 2024 is 67,340,675 VND (see Note No. V.18).

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12. Short-term trade payables

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
<i>Trade payables to related parties</i>	-	-
<i>Trade payables to other entities</i>	42,469,751,122	82,941,488,359
Da Nang City Urban Infrastructure Management Center	14,568,808,506	32,519,864,930
Construction Joint Stock Company No. 5	13,094,632,090	18,266,242,690
A Chau Technology Joint Stock Company	448,640,500	9,320,085,799
HAWACO Mechanical & Electrical Co., Ltd	2,388,614,701	5,024,289,838
Others	11,969,055,325	17,811,005,102
Total	<u>42,469,751,122</u>	<u>82,941,488,359</u>

As on December 31, 2024, there is no liability due but not yet paid.

13. Short-term prepayments from customers

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
<i>Prepayments from customers being related parties</i>	-	-
<i>Prepayments from other customers</i>	980,710,123	651,868,804
Project Management Board of Construction Investment of Da Nang Traffic Works	413,590,798	183,836,674
Nam Viet A Construction Investment and Infrastructure	258,860,783	258,860,783
Others	308,258,542	209,171,347
Total	<u>980,710,123</u>	<u>651,868,804</u>

14. Taxes and other receivables, payables to States budget

	Jan 01, 2024		Payable during the fiscal year	Paid amounts during the fiscal year	Dec 31, 2024	
	Receivables	Payables			Receivables	Payables
Value added tax	32,891,149,249	33,885,947	22,386,777,113	7,148,195,222	17,618,681,411	-
Corporate income tax	20,005,424,737	-	12,488,324,116	-	7,517,100,621	-
Personal income tax	833,839,993	127,250,027	2,032,674,136	3,403,724,719	2,077,640,549	-
Natural resource tax	-	328,682,500	3,195,372,100	3,151,062,350	-	372,992,250
Land tax and land rent	1,314,589,487	-	5,928,618,308	4,614,028,821	-	-
Fees and charges	-	6,457,005,208	90,012,624,717	89,700,498,226	-	6,769,131,699
Total	55,045,003,466	6,946,823,682	136,092,514,063	108,065,632,911	27,213,422,581	7,142,123,949

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

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

Corporate income tax

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

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

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

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

	<u>Current year</u>	<u>Previous year</u>
Total accounting profits before corporate income tax	112,106,770,599	150,988,644,818
Adjustment to taxable income	6,113,965,315	15,031,752,921
Increasing adjustment	6,128,608,762	15,040,183,562
+ Remuneration of non-executive Board of Directors	292,500,000	280,800,000
+ Cost of handling backlog construction	10,817,795	131,622,560
+ Set up a science and technology development fund	-	4,000,000,000
+ Raw water cost difference paid to the state	4,257,129,378	9,237,405,509
+ Other improper expenses	1,559,730,948	1,390,355,493
+ Gains on exchange rate differences from year-end revaluation of prior-year cash and receivables	8,430,641	-
- Decreasing adjustment	(14,643,447)	(8,430,641)
+ Gains on exchange rate differences from year-end revaluation of cash and receivables	(14,643,447)	(8,430,641)
Total taxable income	118,220,735,914	166,020,397,739
- Income from water industry	110,550,469,448	154,218,083,333
- Income from other activities	3,413,137,088	2,564,908,897
- Income from raw water cost difference paid to the state	4,257,129,378	9,237,405,509
Carry forward of losses (at subsidiary)	-	(111,342,072)
Taxable temporary differences	250,746,592	-
Total tax calculation income	118,220,735,914	165,909,055,667
- Income from water industry	110,550,469,448	154,218,083,333
- Income from other activities	3,663,883,680	2,453,566,825
- Income from raw water cost difference paid to the state	4,257,129,378	9,237,405,509
Science and technology fund appropriation part	-	4,000,000,000
Total tax calculation income excludes the setup science and technology fund part	118,220,735,914	161,909,055,667
- Income from water industry	110,550,469,448	150,218,083,333
- Income from other activities	3,663,883,680	2,453,566,825
- Income from raw water cost difference paid to the state	4,257,129,378	9,237,405,509
Corporate income tax	12,639,249,557	17,360,002,800
- Income from water industry (10%)	11,055,046,945	15,021,808,333
- Income from other activities (20%)	732,776,736	490,713,365
- CIT corresponding to the raw water cost difference paid to the State (20%)	851,425,876	1,847,481,102
Current corporate income tax expenses	12,639,249,557	17,360,002,800
In which:		
- Current corporate income tax expenses	11,600,977,796	15,445,150,307
- CIT paid on behalf of the state arises due to the difference in the cost of purchasing raw water paid to the state budget	851,425,876	1,847,481,102
- CIT for invalid documentation	35,920,444	54,751,258
- Deferred CIT corresponding to the provision/(reversal) of provision for investments losses in Subsidiaries	150,925,441	12,620,133

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Value-added tax

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

Other taxes

The Group has declared and paid under regulations.

15. Payables to employees

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Salary	29,399,507,369	25,660,461,025
Total	<u>29,399,507,369</u>	<u>25,660,461,025</u>

16. Short-term accrued expenses

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Electricity costs	1,398,000,039	1,220,642,166
Interest payable	322,312,102	396,793,836
Fee for water fee collection	259,611,000	210,783,000
Costs of using electronic invoices	110,492,980	140,437,850
Other accrual expenses	117,169,845	351,640,098
Total	<u>2,207,585,966</u>	<u>2,320,296,950</u>

17. Other payables

a. Short-term

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Other payables to related parties (Refer to Notes No. VIII.1)	146,225,039,594	136,608,716,841
Other payables to other entities	2,899,251,682	2,700,373,915
Saigon - Da Nang Investment Joint Stock Company	1,221,614,989	1,221,614,989
Others	1,677,636,693	1,478,758,926
Total	<u>149,124,291,276</u>	<u>139,309,090,756</u>

b. Long-term

	<u>Dec 31, 2024</u>	<u>Jan 01, 2024</u>
Payables to related parties (Refer to Notes No. VIII.1)	80,490,446,164	96,588,446,164
Other payables to other entities	9,874,491,564	8,172,825,661
Long-term deposit received	9,874,491,564	8,172,825,661
Total	<u>90,364,937,728</u>	<u>104,761,271,825</u>

18. Borrowings and finance lease liabilities

18a. Short-term

	Opening balance	Increase during the year	Paid during the year	Transferring from long-term loan	Closing balance
Current portion of long-term borrowings	61,929,759,608	-	61,696,543,424	60,250,704,883	60,483,921,067
- Danang City Investment and Development Fund (i)	22,724,800,000	-	22,724,800,000	22,724,800,000	22,724,800,000
- JSC Bank for Investment and Development of Vietnam (ii)	4,512,004,000	-	4,278,787,816	2,542,488,747	2,775,704,931
- JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii)	9,583,360,000	-	9,583,360,000	9,873,820,000	9,873,820,000
- Shinhan Bank Vietnam Limited - Danang Branch (iv)	25,109,595,608	-	25,109,595,608	25,109,596,136	25,109,596,136
Total	61,929,759,608	-	61,696,543,424	60,250,704,883	60,483,921,067

18b. Long-term

	Opening balance	Increase during the year	Paid during the year	Foreign exchange differences	Closing balance
Long-term borrowings	507,003,522,755	-	61,944,423,952	-	445,059,098,803
- Danang City Investment and Development Fund (i)	159,866,967,666	-	22,724,800,000	-	137,142,167,666
- JSC Bank for Investment and Development of Vietnam (ii)	16,487,481,352	-	4,278,787,816	-	12,208,693,536
- JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii)	85,695,435,924	-	9,831,240,000	-	75,864,195,924
- Shinhan Bank Vietnam Limited - Danang Branch (iv)	244,953,637,813	-	25,109,596,136	-	219,844,041,677
Total	507,003,522,755	-	61,944,423,952	-	445,059,098,803
In which					
- Amount due within 1 year	61,929,759,608				60,483,921,067
Long-term borrowings and finance lease liabilities	445,073,763,147				384,575,177,736

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

- Loan Agreement No. 09/2018/HĐTD dated 24/10/2018 for the execution of Project "increasing capacity of Red Bridge Water Factory by 120,000m³/day; Divergence 1: increasing capacity by 60,000m³/day". The credit limit is VND 120,000,000,000, and borrowing term is 12 years. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: Construction works and invested machinery and equipment and assets formed in the future of the project. (Refer to Note No. V.9, V.10)
- Loan Agreement No. 01/2019/HĐTD dated 14/01/2019 for the execution of Project "Hoa Trung Lake Water Factory with the capacity of 10,000m³/day". The credit limit is VND 50,000,000,000, and the borrowing term is 10 years. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: The invested system of water supply pipelines in the city and assets to be formed in the future of the project. (Refer to Note No. V.9, V.11)
- Loan Agreement No. 14/2020/HĐTD dated 19/08/2020 for the project "Increasing the capacity of Cau Do Water Plant from 230,000 m³/day to 290,000 m³/day". The credit limit is VND 71,000,000,000, and the borrowing term is 144 months. Interest rate is 7%/year and is adjusted in accordance with the Decision on interest rate issued by the lender in each period. The interest rate for overdue principal is 150% of the undue interest rate. Loan security mode: Assets formed in the future of the project. (Refer to Note No. V.9, V.11).

(ii) The loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Da Nang Branch are as follows:

- Loan Agreement No. 01/2020/257027/HĐTD dated 21/01/2020 for investing in the construction of the D600DI water supply pipeline on Ho Xuan Huong Street. The credit limit is VND 2,565,000,000, and borrowing term is 60 months. Interest rate is 9%/year for 18 months as from the first drawdown date. Post-adjustment interest rate is equal to the floating interest rate of 24-month savings deposit with interest paid at the end of the term + margin of 3.3%/year and is adjusted every 06 months on the first day of the first month of the period in which interest rate is adjusted. The interest rate for overdue principal is 150% of the undue interest rate. The loan is secured by the assets to be formed in the future. (Refer to Note No V.11)
- Loan Agreement No. 02/2020/257027/HĐTD dated 16/04/2020 for investing in the construction of the D500; D400 DI Water Supply Pipeline on Vo Nguyen Giap - Hoang Sa Street (section from Ho Xuan Huong Street to Nguyen Phan Vinh Street). The credit limit is VND 24,623,000,000, and borrowing term is 10 years. Interest rate is 9%/year for 18 months as from the first drawdown date. Post-adjustment interest rate is equal to the floating interest rate of 24-month savings deposit with interest paid at the end of the term + margin of 3.3%/year and is adjusted every 06 months on the first day of the first month of the period in which interest rate is adjusted. The interest rate for overdue principal is 150% of the undue interest rate. The loan is secured by the assets to be formed in the future. (Refer to Note No V.11).

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

- Loan contract No. 63/2020/VCB-KHDN dated 03/08/2020 for investing in the project "Water supply pipeline D400 DI Vo Nguyen Giap - Truong Sa Street (section from Ho Xuan Huong Street to Vo Quy Huan Street). The credit limit is VND 38,112,000,000, and borrowing term is 120 months. Loan interest rate: For the first 2 years from the date of first disbursement: Loan interest rate = 12-month VND savings interest rate with paying interest later for individual

customers + 1.8%/year; Interest rate for the remaining loan term: Loan interest rate = 12-month VND savings interest rate with paying interest later for individual customers + 2.8%/year, adjustment period of rate is once every 6 months on June 26 and December 26 every year, the interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The loan is secured by the assets to be formed in the future. (Refer to Note No.V.11).

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

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

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

19. Bonus and welfare fund

	Dec 31, 2024	Jan 01, 2024
Bonus and welfare fund	6,800,215,100	7,076,863,297
Reward fund for Management and Executive Board	146,493,465	302,175,000
Total	6,946,708,565	7,379,038,297

The situation of setting up and using reward and welfare funds

	Jan 01, 2024	Increase	Decrease	Dec 31, 2024
Bonus and welfare fund	7,076,863,297	13,818,067,533	(14,094,715,730)	6,800,215,100
Reward fund for Management and Executive Board	302,175,000	585,973,863	(741,655,398)	146,493,465
Total	7,379,038,297	14,404,041,396	(14,836,371,128)	6,946,708,565

20. Owner's equity

20a. Statement of changes in owners' equity

	Contributed capital	Capital surplus	Development and investment funds	Undistributed profit after tax	Total
Balance as at Jan 01, 2023	579,640,610,000	8,993,538,265	101,823,484,308	105,037,168,603	795,494,801,176
Increase during the year	-	-	15,279,539,303	135,530,874,378	150,810,413,681
Decrease during the year	-	-	-	(157,204,823,504)	(157,204,823,504)
Balance as at Dec 31, 2023	579,640,610,000	8,993,538,265	117,103,023,611	83,363,219,477	789,100,391,353
Balance as at Jan 01, 2024	579,640,610,000	8,993,538,265	117,103,023,611	83,363,219,477	789,100,391,353
Increase during the year	-	-	10,995,117,081	100,354,867,362	111,349,984,443
Decrease during the year	-	-	-	(123,938,062,177)	(123,938,062,177)
Balance as at Dec 31, 2024	579,640,610,000	8,993,538,265	128,098,140,692	59,780,024,663	776,512,313,620

These notes are an integral part and should be read in conjunction with the consolidated financial statements for the fiscal year ended as of December 31, 2024

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20b. Details of investment capital

	Dec 31, 2024		Jan 01, 2024	
	Rate (%)	VND	Rate (%)	VND
People's Committee of Danang City	60.08	348,242,170,000	60.08	348,242,170,000
Danang - Mien Trung Investment JSC	35.00	202,867,440,000	35.00	202,867,440,000
Other shareholders	4.92	28,531,000,000	4.92	28,531,000,000
Total	100.00	579,640,610,000	100.00	579,640,610,000

20c. Undistributed profit after tax

	Current year	Previous year
Profits brought forward	83,363,219,477	105,037,168,603
Profits after corporate income tax of current period	100,354,867,362	135,530,874,378
Profit distribution	123,938,062,177	157,204,823,504
Previous year's profit distribution	83,363,219,477	105,037,168,603
- Set up bonus and welfare fund	13,818,067,533	13,800,000,000
- Set up fund of Executive Management Board	585,973,863	604,350,000
- Divide the dividend by cash	57,964,061,000	75,353,279,300
- Set up development and investment funds	10,995,117,081	15,279,539,303
Current year's profit distribution (Divide the dividend)	40,574,842,700	52,167,654,900
Total	59,780,024,663	83,363,219,477

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

	Current year	Previous year
- Contributed capital		
+ Opening balance	579,640,610,000	579,640,610,000
+ Increase	-	-
+ Decrease	-	-
+ Closing balance	579,640,610,000	579,640,610,000
- Distributed profit, dividend	98,538,903,700	127,520,934,200

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20e. Shares

	Dec 31, 2024	Jan 01, 2024
Number of shares registered for issuance	57,964,061	57,964,061
Number of shares issued to the public	57,964,061	57,964,061
- Ordinary shares	57,964,061	57,964,061
- Preference shares	-	-
Number of treasury shares	-	-
- Ordinary shares	-	-
- Preference shares	-	-
Number of outstanding shares in circulation	57,964,061	57,964,061
- Ordinary shares	57,964,061	57,964,061
- Preference shares	-	-
Face value of outstanding shares	10,000	10,000

21. Funding sources formed fixed assets

	Dec 31, 2024	Jan 01, 2024
Opening balance	818,053,503	1,057,483,803
Depreciation for the year	(239,430,294)	(239,430,300)
Non-business funds used for fixed asset acquisitions in year-end	578,623,209	818,053,503

22. Off-balance sheet accounts – Doubtful debts handled

	Dec 31, 2024	Jan 01, 2024
Doubtful debts handled	444,333,718	457,209,246

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

1. Revenues

	Current year	Previous year
Revenues to related parties	-	-
Revenues to other parties	644,687,222,815	596,008,090,946
Revenue from water industry	640,504,754,381	591,463,117,486
Revenue from other activities	4,182,468,434	4,544,973,460
Total	644,687,222,815	596,008,090,946

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2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Cost of goods sold from water industry	443,494,800,389	360,364,175,000
Cost of goods sold from other activities	3,946,032,264	3,529,406,553
Total	<u>447,440,832,653</u>	<u>363,893,581,553</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Deposits, loans interest	24,888,943,302	27,231,810,282
Gains on exchange rate differences from payments	65,306	487,702
Gains on exchange rate differences from year-end revaluation	14,643,447	8,430,641
Total	<u>24,903,652,055</u>	<u>27,240,728,625</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Interest expenses	28,798,461,146	29,950,386,864
Foreign exchange loss	-	500,447
Total	<u>28,798,461,146</u>	<u>29,950,887,311</u>

5. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Cost of raw materials	6,184,486,154	5,333,411,827
Employees cost	27,014,569,793	25,011,720,677
Fixed asset depreciation	22,500,000	90,000,000
Costs of outsourced services	4,663,277,837	4,499,285,812
Other explicit expenses	215,853,028	291,999,051
Total	<u>38,100,686,812</u>	<u>35,226,417,367</u>

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6. General administration expenses

	<u>Current year</u>	<u>Previous year</u>
Cost of raw materials	1,012,316,378	333,553,507
Employees cost	25,260,777,260	23,377,905,320
Fixed asset depreciation	2,822,561,560	2,848,750,172
Set up a science and technology development fund	-	4,000,000,000
Allowances for doubtful debts	84,200,623	179,411,057
Costs of outsourced services	2,853,551,104	2,951,999,159
Other explicit expenses	15,783,672,481	11,967,623,247
Total	<u>47,817,079,406</u>	<u>45,659,242,462</u>

7. Other income

	<u>Current year</u>	<u>Previous year</u>
Commissioning of fixed assets formed from the Science and Technology Fund	1,892,000,000	-
Remaining drainage service charges for collection	3,162,749,243	2,943,427,998
Other income	83,553,283	104,865,740
Total	<u>5,138,302,526</u>	<u>3,048,293,738</u>

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Depreciation of fixed assets during temporary suspension of operations	430,995,816	-
Residual value of liquidated fixed assets	19,754,233	413,587,182
Handling backlog construction	10,817,795	128,615,287
Penalties for administrative violations	3,778,872	-
Other expenses	64	36,137,329
Total	<u>465,346,780</u>	<u>578,339,798</u>

9. Basic earnings per share

	<u>Current year</u>	<u>Previous year</u>
- Profit after corporate income tax	100,354,867,362	135,530,874,378
- Increasing/Decreasing adjustment to accounting profit to determine profit allocated to ordinary shareholders:	(10,665,582,071)	(14,404,041,396)
+ Set up bonus and welfare fund	(10,665,582,071)	(14,404,041,396)
- Profit or loss attributable to shareholders owning ordinary shares	89,689,285,291	121,126,832,982
- Weighted average number of ordinary shares (shares)	57,964,061	57,964,061
Basic earnings per share (VND/share) (*)	<u>1,547</u>	<u>2,090</u>

These notes are an integral part and should be read in conjunction with the consolidated financial statements for the fiscal year ended as of December 31, 2024

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(*) Retrospective adjustment of accounting profit after corporate income tax (See Note VIII.2) and appropriation for the reward and welfare fund from the 2023 after-tax profit in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHĐCĐ dated June 26, 2024. Accordingly, the "Basic earnings per share" target for the 2023 fiscal year is 2,090 VND/share instead of 2,443 VND/share as presented in the 2023 Consolidated Financial Statements.

(*) Basic earnings per share in 2024 are calculated based on profit after tax minus deductions for bonus and welfare funds. This year's bonus and welfare fund is temporarily calculated at the same rate as last year.

Weighted average number of ordinary shares is calculated as follow:

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

10. Diluted earnings per shares

	Current year	Previous year
- Net profit attributable to the Company's shareholders used to calculate basis earnings per share	89,689,285,291	121,126,832,982
Increasing/Decreasing adjustment to profit:	-	-
- Profit to calculate diluted earnings per share	89,689,285,291	121,126,832,982
The number of ordinary shares used to calculate diluted earnings per share	57,964,061	57,964,061
Diluted earnings per share (VND/share) (*)	1,547	2,090

(*) Diluted earnings per share in 2024 are calculated based on after-tax profit after deducting the appropriation for the reward and welfare fund. This year's reward and welfare fund is provisionally calculated at a rate equivalent to the previous year.

11. Operating expenses according to elements

	Current year	Previous year
Cost of raw materials	131,862,226,200	59,761,605,655
Employees cost	122,015,634,160	110,626,084,371
Fixed asset depreciation	114,802,981,917	100,124,901,959
Costs of outsourced services	137,431,071,624	141,959,593,992
Other explicit expenses	26,954,508,447	37,002,033,455
Total	533,066,422,348	449,474,219,432

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

1. Proceeds from borrowing

	<u>Current year</u>	<u>Previous year</u>
Proceeds from borrowing under normal contracts	-	42,646,463,927
Total	<u>-</u>	<u>42,646,463,927</u>

2. Repayments for borrowing

	<u>Current year</u>	<u>Previous year</u>
Repayment of principal under normal contracts	61,944,423,952	47,041,005,740
Total	<u>61,944,423,952</u>	<u>47,041,005,740</u>

VIII. OTHER INFORMATION (Unit: VND)

1. Information about related parties

1.a Related parties

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

1.b Transactions with related parties

<u>Related parties</u>	<u>Current year</u>	<u>Previous year</u>
People's Committee of Danang City		
- Raw water costs difference	4,257,129,378	9,237,405,509
- Dividend distribution	59,201,168,900	76,613,277,400
- Payment for assets handed over from the budget	-	837,000,000
- Cost of clean water infrastructure usage	46,629,212,470	33,028,632,863
- Repayment to the budget for capital per Decision No. 8449/QĐ-UBND dated November 11, 2015 (*)	16,098,000,000	16,098,000,000
Danang - Mien Trung Investment Joint Stock Company		
- Dividend distribution	34,487,464,800	44,630,836,800

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1.c Balances with related parties

Related parties	Dec 31, 2024	Jan 01, 2024
People's Committee of Da Nang City		
- Property handed over from the budget	80,092,123,622	89,698,099,864
- Raw water cost difference	3,405,703,502	7,389,960,356
- Capital payable for Budget (*)	96,588,446,164	112,686,446,164
- Payable for the use of clean water infrastructure	46,629,212,470	23,422,656,621

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

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

No	Board of Management	Position	From Jan 1, 2024 to Dec 31, 2024		
			Salary	Remuneration	Total
1	Ho Huong	Chairman of BOD	777,600,000	-	777,600,000
2	Dang Thanh Binh	Member of the BOD	-	100,800,000	100,800,000
3	Nguyen Truong Anh	Member of the BOD	-	100,800,000	100,800,000
4	Nguyen Thi Thu Ha	Head of Supervisory Board	648,000,000	-	648,000,000
5	Pham Thi Que Chi	Member of the BOS	453,600,000	-	453,600,000
6	Thai Quoc Khanh	Member of the BOS	-	79,200,000	79,200,000
7	Ho Minh Nam	General Manager	734,400,000	-	734,400,000
8	Le Duc Quy	Vice General Manager	691,200,000	-	691,200,000
9	Tran Phuoc Thuong	Vice General Manager	648,000,000	-	648,000,000
10	Phan Thinh	Chief Accountant	648,000,000	-	648,000,000
Total			4,600,800,000	280,800,000	4,881,600,000

No	Board of Management	Position	From Jan 1, 2023 to Dec 31, 2023		
			Salary	Remuneration	Total
1	Ho Huong	Chairman of BOD	927,936,000	-	927,936,000
2	Dang Thanh Binh	Member of the BOD	-	100,800,000	100,800,000
3	Nguyen Truong Anh	Member of the BOD	-	100,800,000	100,800,000
4	Nguyen Thi Thu Ha	Head of Supervisory Board	773,280,000	-	773,280,000
5	Pham Thi Que Chi	Member of the BOS	541,296,000	-	541,296,000
6	Thai Quoc Khanh	Member of the BOS	-	79,200,000	79,200,000
7	Ho Minh Nam	General Manager	876,384,000	-	876,384,000
8	Le Duc Quy	Vice General Manager	824,832,000	-	824,832,000
9	Tran Phuoc Thuong	Vice General Manager	773,280,000	-	773,280,000
10	Phan Thinh	Chief Accountant	773,280,000	-	773,280,000
Total			5,490,288,000	280,800,000	5,771,088,000

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1.e Other benefits of the Executive Board

	Current year	Previous year
Bonus of Management Board	496,636,223	432,112,500
Dividend	113,320,000	81,620,000
Total	609,956,223	513,732,500

2. Retrospective restatement

On June 25, 2024, the People's Committee of Da Nang City issued Official Dispatch No. 3415/UBND-STC to provide comments on the proposal of the State Capital Representative at the 2024 Annual General Meeting of Shareholders of Da Nang Water Supply Joint Stock Group. In this Official Dispatch, the People's Committee of the City requested the Company to create a source of funds to reimburse the cost of using the value of clean water supply infrastructure assets, which are invested by the State budget and are currently managed by the State. The Group has received, exploited, and used these assets from June 2015 to December 31, 2023, with the amount to be repaid being VND 66,057,265,726 (allocated in 2023 and 2024). Based on this proposal, the Group has retroactively adjusted the 2023 financial statements to reflect the asset rental costs corresponding to the 2023 allocation value, specifically as follows:

Retroactive adjustment of figures on the Balance Sheet as of January 1, 2023:

No.	Items	Code	31/12/2023 before adjustment	31/12/2023 after adjustment	Diff	Note
I	ASSETS		19,891,838,264	22,153,854,217	2,262,015,953	
1	Taxes and other receivables from State budget	153	19,891,838,264	22,153,854,217	2,262,015,953	(3)
II	RESOURCES		246,070,755,305	248,332,771,258	2,262,015,953	
1	Payables to employees	314	26,462,958,121	25,660,461,025	(802,497,096)	(2)
2	Other short-term payables	319	115,886,434,135	139,309,090,756	23,422,656,621	(1)
3	Undistributed profit after tax	421	103,721,363,049	83,363,219,477	(20,358,143,572)	(4)

Retroactive adjustment of figures on the Income Statement for 2023:

No.	Items	Code	FY 2023 before adjustment	FY 2023 after adjustment	Diff	Note
1	Costs of goods sold	11	340,470,924,932	363,893,581,553	23,422,656,621	(1)
2	General administration expenses	26	46,461,739,558	45,659,242,462	(802,497,096)	(2)
3	Total net profit before tax	50	173,608,804,343	150,988,644,818	(22,620,159,525)	(4)
4	Current corporate income tax expenses	51	17,707,166,260	15,445,150,307	(2,262,015,953)	(3)
5	Profits after corporate income tax	60	155,889,017,950	135,530,874,378	(20,358,143,572)	(4)
6	Basic earnings per share	70	2,443	2,090	(353)	(5)
7	Diluted earnings per share	71	2,443	2,090	(353)	(5)

- (1) Adjust the increase in the "Cost of goods sold" item on the Income Statement for 2023 by VND 23,422,656,621, matching the rise in lease expenses. Simultaneously, the "Other short-term payables" item on the Balance Sheet as of December 31, 2023, also increased by the corresponding amount.
- (2) Adjust the "Administrative Expenses" item on the Income Statement for 2023 by a reduction of VND 802,497,096, due to a decrease in the salary fund for company management, which stems from the profit downturn outlined according to the adjustment (1) the 'Payables to employees' item on the Balance Sheet as of December 31, 2023, will also drop by the corresponding amount.
- (3) Adjust the "Current corporate income tax expense" item on the Income Statement for 2023 by a reduction of VND 2,262,015,953, due to the impact of adjustments (1) and (2). Simultaneously, the "Taxes and other receivables from the State budget" item on the Balance Sheet as of December 31, 2023, will be climbed by the equivalent amount.
- (4) The items "Total net profit before tax", "Net profit after corporate income tax" on the Income Statement for 2023, and the 'Undistributed profit after tax' on the Balance Sheet as of December 31, 2023, have been restated under the results of adjustments (1), (2), and (3).
- (5) Reduction in the indicators 'Basic earnings per share' and 'Diluted earnings per share' in the 2023 Statement of Profit or Loss due to the impact of adjustments (1), (2), and (3), as well as the recalculation of the appropriation for the reward and welfare fund in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-ĐHĐCĐ dated June 26, 2024

3. Segment information

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

4. Collateral

The Group has pledged tangible fix assets and its construction in progress to assure the loans at the Bank (Refer to Note V.18). Carrying amount of fixed assets used as collateral, mortgage for loans as on December 31, 2024 is VND 742,131,557,383 and the value of construction in progress that have been mortgaged to secure the bank loans as on December 31, 2024 is VND 67,340,675.

5. Corresponding figures

Corresponding figures taken from the consolidated financial statements for the fiscal year end as of December 31, 2023 which were audited by Vietvalues.

6. Changes in accounting estimates

During the year, the Board of General Managers revised the depreciation period for tangible fixed assets. The Board of General Managers believes that applying the new depreciation period will more accurately reflect the Group's asset utilization efficiency. If the previous depreciation period had been maintained, this year's depreciation expense would have increased by VND 341,030,166.

7. Information on going concern

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

8. Subsequent events

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



PHAM HONG MINH
Preparer



PHAN THINH
Chief Accountant



HO MINH NAM
General Manager

