

THANH HOA WATER SUPPLY JOINT STOCK COMPANY
REVIEWED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGES</u>
STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT	2 - 3
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	4
INTERIM BALANCE SHEET	5 - 6
INTERIM INCOME STATEMENT	7
INTERIM CASH FLOW STATEMENT	8
NOTES TO THE INTERIM FINANCIAL STATEMENTS	9 - 34

STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The Board of Directors and Board of Management of Thanh Hoa Water Supply Joint Stock Company (the "Company") present this report together with the Company's interim financial statements for the six-month period ended June 30, 2025.

THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT, AND THE BOARD OF SUPERVISORY

The Board of Directors, Board of Management and Board of Supervision of the Company who held office during the operating period and to the date of this report are as follows:

Board of Directors

Mr. Le The Son	Chairman
Mr. Pham Van Tu	Vice Chairman
Mr. Nguyen Ngoc Can	Member (resigned on 01 July 2025)
Mr. Le Trung Hieu	Member (appointed on 01 July 2025)
Mr. Le Sy Len	Member
Mr. Le Van Qui	Member

Board of Management

Mr. Nguyen Ngoc Can	Chief Executive Officer (resigned on 01 July 2025)
Mr. Le Trung Hieu	Chief Executive Officer (appointed on 01 July 2025)
Mr. Le Ngoc Dinh	Deputy Chief Executive Officer (retired from 01 August 2025)
Mr. Le Sy Len	Deputy Chief Executive Officer
Mr. Duong Van Hoa	Deputy Chief Executive Officer (retired from 01 January 2025)

Board of Supervisory

Mrs. Le Thi Ha	Head of Supervisory Board (resigned on 16 June 2025)
Mr. Vu Van Ha	Head of Supervisory Board (appointed on 16 June 2025)
Mrs. Trinh Thi Huyen	Member
Mr. Nguyen Cong Khanh	Member (resigned on 16 June 2025)
Mrs. Mai Thanh Thuong	Member (appointed on 16 June 2025)

Legal Representative

The legal representative of the Company during the year and until the date of this report

1. Mr. Nguyen Ngoc Can	Chief Executive Officer (From 01 January 2025 to 23 June 2025)
2. Mr. Le The Son	Chairman (From 23 June 2025 to present)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors and Board of Management of the Company are responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2025, and its financial performance and its cash flows for the period then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim financial statements, the Board of Directors and Board of Management are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT (CONTINUED)

The Board of Directors and Board of Management are responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the interim financial statements comply with Vietnamese Accounting Standards, Vietnamese accounting regime for enterprises and legal regulations relating to interim financial reporting. The Board of Directors and Board of Management are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors and Board of Management confirms that the Company has complied with the above requirements in preparing these interim financial statements.

For and on behalf of the Board of Directors and Board of Management,



Le The Son
Chairman
08 August 2025

No: 080801/2025/BCSX-iCPA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To: The Shareholders
The Board of Directors and Board of Management
Thanh Hoa Water Supply Joint Stock Company

We have reviewed the accompanying interim financial statements of Thanh Hoa Water Supply Joint Stock Company (the "Company"), prepared on 08 August 2025, as set out from page 5 to page 34, which comprise the interim Balance sheet as at 30 June 2025, the interim Income Statement, the interim Cash Flow Statement for the six-month period then ended and the Notes to the interim financial statements.

Responsibility of The Board of Directors and Board of Management

The Board of Directors and Board of Management of Thanh Hoa Water Supply Joint Stock Company are responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese accounting regime for enterprises and legal regulations relating to interim financial reporting and for such internal control as Board of Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to raise a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with Vietnamese Standards on review engagements No.2410 – Review of interim financial information performed by the independent auditor of the entity.

The review work on the interim financial information mainly include interviews with persons in charge of finance, accounting and application of other analysis and review procedures. Reviewing the financial statements is basically narrower than that of auditing the financial statements in the line with the Vietnamese Standards on Auditing and therefore, it does not allow us to obtain a reasonable assurance to enable us to detect all material issues during the engagement. Accordingly, we do not raise our audit opinion.

Conclusion of Auditors

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2025, and of its financial performance and cash flows for the six-month period then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System, and applicable legal regulations on the preparation and presentation of interim financial statements.



Nguyen Thi Thanh Hoa
Deputy General Director
Audit Practising Registration Certificate
No. 1402-2023-072-1
08 August 2025

INTERIM BALANCE SHEET
As at 30 June 2025

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		99,762,957,825	96,516,546,779
I. Cash and cash equivalents	110	V.1	44,457,059,676	45,366,481,134
1. Cash	111		3,052,513,920	2,653,134,818
2. Cash equivalents	112		41,404,545,756	42,713,346,316
II. Short-term receivables	130		38,018,791,261	27,537,099,565
1. Short-term trade receivables	131	V.2	25,093,837,788	27,680,797,147
2. Short-term advances to suppliers	132		10,353,297,926	582,952,000
3. Other short-term receivables	136	V.3	23,173,302,297	22,161,382,353
4. Provision for short-term doubtful debts	137	V.4	(20,601,646,750)	(22,888,031,935)
III. Inventories	140	V.5	17,095,397,180	19,634,617,582
1. Inventories	141		19,512,124,999	22,051,345,401
2. Provision for devaluation of inventories	149		(2,416,727,819)	(2,416,727,819)
IV. Other short-term assets	150		191,709,708	3,978,348,498
1. Value added tax deductibles	152		-	221,653,344
2. Taxes and other receivables from the State budget	153	V.11a	191,709,708	3,756,695,154
B. NON-CURRENT ASSETS	200		606,560,821,473	596,097,837,043
I. Fixed assets	220		539,017,674,395	559,065,563,047
1. Tangible fixed assets	221	V.6	538,675,674,393	558,682,296,365
- Cost	222		1,502,867,488,409	1,494,561,551,741
- Accumulated depreciation	223		(964,191,814,016)	(935,879,255,376)
2. Intangible assets	227	V.7	342,000,002	383,266,682
- Cost	228		952,621,550	952,621,550
- Accumulated amortisation	229		(610,621,548)	(569,354,868)
II. Long-term assets in progress	240		36,062,255,038	19,634,749,851
1. Long-term construction in progress	242	V.8	36,062,255,038	19,634,749,851
III. Other long-term assets	260		31,480,892,040	17,397,524,145
1. Long-term prepayments	261	V.9	31,480,892,040	17,397,524,145
TOTAL ASSETS	270		706,323,779,298	692,614,383,822

INTERIM BALANCE SHEET (CONTINUED)
As at 30 June 2025

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		304,307,068,280	265,396,043,581
I. Current liabilities	310		168,491,141,386	140,096,143,059
1. Short-term trade payables	311	V.10	37,416,809,924	36,329,619,951
2. Short-term advances from customers	312		609,915,288	347,830,071
3. Taxes and amounts payable to the State	313	V.11b	2,966,011,370	2,455,519,713
4. Payables to employees	314		11,374,398,041	19,535,863,013
5. Short-term accrued expenses	315	V.12a	7,930,689,778	11,686,629,950
6. Other current payables	319	V.13	73,265,641,898	41,935,705,297
7. Short-term loans and obligations under	320	V.14a	21,836,658,000	21,836,658,000
8. Bonus and welfare funds	322		13,091,017,087	5,968,317,064
II. Long-term liabilities	330		135,815,926,894	125,299,900,522
1. Long-term accrued expenses	333	V.12b	2,082,000,000	2,418,000,000
2. Long-term loans and obligations under	338	V.14b	133,733,926,894	122,881,900,522
D. EQUITY	400		402,016,711,018	427,218,340,241
I. Owner's equity	410	V.15	402,016,711,018	427,218,340,241
1. Owner's contributed capital	411		329,954,110,000	329,954,110,000
- Ordinary shares carrying voting rights	411a		329,954,110,000	329,954,110,000
2. Investment and development fund	418		44,439,280,112	35,117,230,089
3. Retained earnings	421		27,623,320,906	62,147,000,152
- Retained earnings of the current period	421b		27,623,320,906	62,147,000,152
TOTAL RESOURCES	440		706,323,779,298	692,614,383,822




Dang Thi Tien
Preparer



Nguyen Thi Nga
Chief Accountant




Le The Son
Chairman
08 August 2025

INTERIM INCOME STATEMENT
For the six-month accounting period ended 30 June 2025

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and	01	VI.1	227,505,146,489	221,655,237,275
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10		227,505,146,489	221,655,237,275
4. Cost of sales	11	VI.2	155,344,202,637	154,673,552,385
5. Gross profit from goods sold and services rendered	20		72,160,943,852	66,981,684,890
6. Financial income	21	VI.3	1,231,672,301	665,759,479
7. Financial expenses	22	VI.4	4,337,284,196	5,090,667,535
- In which: Interest expense	23		4,337,284,196	5,090,667,535
8. Selling expenses	25	VI.5a	21,965,503,531	20,885,708,825
9. General and administration expenses	26	VI.5b	16,418,451,413	12,968,810,667
10. Operating profit	30		30,671,377,013	28,702,257,342
11. Other income	31	VI.6	249,804,000	7,321,188,561
12. Other expenses	32	VI.7	13,142,717	5,507,915,896
13. Profit from other activities	40		236,661,283	1,813,272,665
14. Accounting profit before tax	50		30,908,038,296	30,515,530,007
15. Current corporate income tax expense	51	VI.8	3,284,717,390	6,641,919,781
16. Net profit after corporate income tax	60		27,623,320,906	23,873,610,226
17. Basic earnings per share	70	VI.9	712	615
18. Diluted earnings per share	71	VI.9	712	615



Dang Thi Tien
Preparer



Nguyen Thi Nga
Chief Accountant




Le The Son
Chairman
08 August 2025

INTERIM CASH FLOW STATEMENT
(Under direct method)
For the six-month accounting period ended 30 June 2025

Unit: VND

ITEMS	Codes	Current period	Prior period
I. Cash flows from operating activities			
1. Revenues from sales and service provisions and other revenues	01	254,966,930,104	246,147,411,978
2. Cash paid to suppliers of goods and services	02	(145,137,776,533)	(98,046,728,302)
3. Amounts paid to employees	03	(60,891,791,009)	(64,771,218,250)
4. Interest paid	04	(5,041,093,682)	(6,394,926,605)
5. Enterprise income tax paid	05	-	(6,556,629,987)
6. Other receipts from trading	06	1,441,511,136	1,700,602,628
7. Other expenditures on trading	07	(33,669,335,890)	(35,739,972,942)
Net cash flow from operating activities	20	11,668,444,126	36,338,538,520
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(24,733,441,855)	(33,984,011,901)
2. Cash recovered from lending, selling debt instruments of other entities	24	-	1,772,344,587
3. Interest earned, dividends and profits received	27	1,303,549,899	761,296,436
Net cash flow from investing activities	30	(23,429,891,956)	(31,450,370,878)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	23,328,355,372	-
2. Repayment of borrowings	34	(12,476,329,000)	(14,626,374,952)
Net cash flow from financing activities	40	10,852,026,372	(14,626,374,952)
Net increase/(decrease) in cash	50	(909,421,458)	(9,738,207,310)
Cash and cash equivalents at the beginning of the period	60	45,366,481,134	67,904,368,603
Effects of changes in foreign currency exchange	61	-	-
Cash and cash equivalents at the end of the period	70	44,457,059,676	58,166,161,293

Dang Thi Tien
Preparer

Nguyen Thi Nga
Chief Accountant



Le The Son
Chairman
08 August 2025

NOTES TO THE INTERIM FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

I. GENERAL INFORMATION**1. Structure of ownership**

Thanh Hoa Water Supply Joint Stock Company (referred to as "the Company"), formerly known as Thanh Hoa Water Supply Company Limited, was established under Decision No. 2039/QĐ-CT dated July 29, 2005 of the Thanh Hoa Provincial People's Committee and Business Registration Certificate No. 2800219549 issued by the Department of Planning and Investment of Thanh Hoa province for the first time on October 3, 2005.

The company officially switched to operating in the form of a joint stock company according to Business Registration Certificate No. 2800219549 issued by the Department of Planning and Investment of Thanh Hoa province for the first time on May 27, 2016 and other Certificates of registration amended business registration. Currently, the Company is operating under the 9th amended Business Registration Certificate dated June 23, 2025. Accordingly, the charter capital is 329,954,110,000 VND corresponding to 32,995,411 common shares, par value of shares: 10,000 VND/share.

Company's trading name: THANH HOA WATER SUPPLY JOINT STOCK COMPANY

Abbreviated name: THAWACO

Head office: No. 99 Mat Son Street, Hac Thanh Ward, Thanh Hoa Province.

2. Business Sector

The Company's main activities are the production and trading of clean water, and the construction and installation of water supply technology and pipelines.

3. Operating industry and principal activities

Main business activities of the Company:

- Exploiting, producing and trading clean water in urban areas in Thanh Hoa province, managing water supply development projects and urban water supply systems;
- Production and distribution of steam, hot water, air conditioning and ice production, details: Clean water production;
- Producing and trading pure filtered water and products from pure filtered water. Clean water business, general contractor implementing turnkey water supply and drainage projects. Design, manufacture, production and business, import and export of machinery, materials and technological equipment specialized in water supply, drainage and environmental sanitation. Scientific research, application and technology transfer in the field of water supply, drainage and environmental sanitation.

4. Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***I. GENERAL INFORMATION (CONTINUED)****5. Business structure**

Detailed information about the Company's branches as of 30 June 2025 is as follows:

Branch name	Place	Main activities
South City water supply branch	Hac Thanh ward, Thanh Hoa province	Provide clean water; construction work
North City water supply branch	Ham Rong ward, Thanh Hoa province	Provide clean water; construction work
Sam Son water supply branch	Sam Son ward, Thanh Hoa province	Provide clean water; construction work
Quang Xuong water supply branch	Quang Phu ward, Thanh Hoa province	Provide clean water; construction work
Dong Son water supply branch	Dong Tien ward, Thanh Hoa province	Provide clean water; construction work
Bim Son water supply branch	Quang Trung ward, Thanh Hoa province	Producing and providing clean water; construction work
Hoang Hoa water supply branch	Hoang Hoa commune, Thanh Hoa province	Producing and providing clean water; construction work
Nghi Son water supply branch	Dao Duy Tu ward, Thanh Hoa province	Producing and providing clean water; construction work
Nong Cong water supply branch	Nong Cong commune, Thanh Hoa province	Producing and providing clean water; construction work
Trieu Son water supply branch	Trieu Son commune, Thanh Hoa province	Producing and providing clean water; construction work
Ngoc Lac water supply branch	Ngoc Lac commune, Thanh Hoa province	Producing and providing clean water; construction work
Cam Thuy water supply branch	Cam Thuy commune, Thanh Hoa province	Producing and providing clean water; construction work
Thach Thanh water supply branch	Kim Tan commune, Thanh Hoa province	Producing and providing clean water; construction work
Yen Dinh water supply branch	Dinh Tan commune, Thanh Hoa province	Producing and providing clean water; construction work
City water production branch	Hac Thanh ward, Thanh Hoa province	Producing clean water, construction
Construction branch	Hac Thanh ward, Thanh Hoa province	Construction and installation works
Watch Branch	Hac Thanh ward, Thanh Hoa province	Maintenance, repair, and inspection of watches
Construction consulting center	Hac Thanh ward, Thanh Hoa province	Design consulting, supervision, and construction management of
Ma River Hotel Branch	Sam Son ward, Thanh Hoa province	Hotel service business

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

I. GENERAL INFORMATION (CONTINUED)**6. Explanation of comparability of information in financial statements**

The comparative figures presented in the interim balance sheet and the related notes are derived from the audited financial statements for the financial year ended 31 December 2024.

The comparative information presented in the interim statement of profit or loss, interim statement of cash flows and the related explanatory notes is based on the interim financial statements for the six-month period ended 30 June 2024, which were reviewed.

7. Employees

The number of employees as at 30 June 2025 was 876 (31 December 2024: 873).

II. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**Accounting convention**

The interim financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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

Accounting period

The company's financial year begins from 01 January to 31 December.

The interim financial statements are prepared for the period begins from 01 January 2025 to 30 June 2025

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

The Board of Management of the Company apply Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the accounting regime for enterprises, Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC and Circular guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of the Interim Financial Statements.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these interim financial statements, are as follows:

Estimates

The preparation of interim financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the Board of General Directors's best knowledge, actual results may differ from those estimates.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

When there is solid evidence that part or all of the investment may not be recoverable and the amount of loss can be reliably determined, the loss is recorded in financial expenses during the year and reduced direct deduction of investment value.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Receivables

Receivables are the amounts recoverable from customers or other subjects and are stated at the book value less provision for doubtful debts.

The provision for doubtful debts is made for each receivable based on the overdue period of the principal repayment according to the original debt agreement (excluding any rescheduling or extension between the parties), or based on the potential loss estimated by the Company. The difference between the provision required at the end of the current financial year and the provision made at the end of the previous financial year is recognized as an increase or decrease in general and administrative expenses during the period. When receivables are determined to be uncollectible, they will be written off.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventory value is determined according to the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provision for inventory devaluation is made according to current accounting regulations. Accordingly, the company is allowed to make a provision for inventory devaluation when the cost of inventory is higher than its net realizable value at the end of the fiscal year.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

Tangible fixed assets are revalued in accordance with the State's decisions or when state-owned enterprises are equitised. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

Fixed assets transferred from State management authorities (Thanh Hoa Provincial People's Committee, Thanh Hoa Land Fund Development Center) are recognized by the Company as an increase in the historical cost of fixed assets and a corresponding increase in other payables. These assets are depreciated using the straight-line method over their useful lives.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	05 - 50
Machinery, equipment	05 - 20
Vehicles, transportation equipment	05 - 30
Office equipment and furniture	05 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Intangible assets and amortisation

The Company's intangible fixed assets are management software, trademarks. Intangible fixed assets represent the value of land use rights and are presented at cost less accumulated depreciation. Intangible fixed assets are allocated using the straight-line method with an estimated amortization period of 05 years.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Company's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Prepayments**

Prepaid expenses include actual expenses that have been incurred but are related to the results of production and business activities of many accounting periods. Prepaid expenses include the value of tools, instruments, small components issued for use, other repair costs and are considered to have the potential to bring future economic benefits to the Company. These costs are capitalized in the form of prepayments and allocated to the Income Statement, using the straight-line method in accordance with current accounting regulations.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably; When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods (except for cases where customers have the right to return goods in the form of exchange for other goods or services);
- (d) The Company has obtained or will receive economic benefits from the sale transaction; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably; When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts.

Construction contracts

Revenue and expenses of construction contracts are recognized as follows:

When contract performance can be estimated reliably:

- For construction contracts that stipulate that the contractor is paid according to the planned schedule, revenue and costs related to the contract are recognized in proportion to the work completed by the Corporation/Enterprise self-determined at the end of the financial year.
- For construction contracts where the contractor is paid according to the value of the volume performed, the revenue and costs related to the contract are recognized in proportion to the completed work confirmed by the customer and is reflected on the invoice issued.

Increases and decreases in construction and installation volume, compensation and other revenues are recognized as revenue only when it has been agreed with the customer.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Construction contracts (Continued)**

When the outcome of a construction contract cannot be reliably estimated, then:

- Revenue is recognized only to the extent of contract costs incurred, for which it is probable that will be made.
- Contract costs are recognized as expenses only when incurred.

The difference between the total accumulated revenue of the recognized construction contract and the accumulated amount recorded in the payment invoice according to the planned progress of the contract is recognized as a receivable or payable according to the planned progress of construction contracts.

Borrowing costs

Borrowing costs include interest on loans and other costs directly related to the borrowings.

Borrowing costs are recognized as expenses when incurred. In cases where borrowing costs are directly related to the construction investment or production of assets under construction that require a sufficiently long period (over 12 months) to be ready for use as intended or to be sold, these borrowing costs are capitalized. For loans specifically for the construction of fixed assets or investment properties, interest expenses are capitalized even when the construction period is less than 12 months. Any income arising from the temporary investment of loan funds is deducted from the carrying amount of the related assets.

For general loans that are used for construction investment purposes or production of unfinished assets, the capitalized borrowing costs are determined according to the capitalization rate for the average cumulative cost arising for investment in capital construction or production of that asset. The capitalization rate is calculated according to the weighted average interest rate of outstanding loans during the year, except for loans serving the purpose of creating a specific asset.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using balance sheet liability method. Deferred income tax liabilities must be recognized for all temporary differences, while deferred income tax assets can only be recognized when it is certain that there will be sufficient taxable profit in the future to offset the temporary differences.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred income tax is recognized in the income statement and is only recorded in equity when the tax relates to items directly recognized in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Basic/diluted earnings per share**

Basic earnings per share are calculated by dividing the after-tax profit or loss allocated to shareholders owning the Company's common shares (after adjusting for appropriations for bonus and welfare funds) by the amount weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the after-tax profit (or loss) allocated to shareholders owning the Company's common shares (after adjusting for dividends on preferred shares with convertible rights) exchange for the weighted average number of common shares outstanding during the year and the weighted average number of common shares that would be issued in the event that all potential common shares are issued. All declines are converted into common shares.

Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprises, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET**1. CASH AND CASH EQUIVALENTS**

	Closing balance	Opening balance
	VND	VND
Cash	889,117,200	337,015,000
Cash in bank	2,163,396,720	2,316,119,818
Cash equivalents (*)	41,404,545,756	42,713,346,316
Total	44,457,059,676	45,366,481,134

(*) Including term deposit contracts at banks with terms not exceeding 3 months.

2. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
People's Committee of Dinh Hoa Commune	4,052,827,000	5,469,488,000
Bach Dang 16 Investment and Development, Jsc	3,379,441,088	3,379,441,088
Olympia Industrial Construction Ltd., Co	1,977,714,977	2,807,045,137
People's Committee of Thieu Khanh Commune	1,883,564,500	2,167,078,700
People's Committee of Thieu Van Commune	1,397,679,000	1,738,013,700
Others	12,402,611,223	12,119,730,522
Total	25,093,837,788	27,680,797,147

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

3. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
Advance	1,463,934,700	46,000,000
Deposit interest	19,815,647	91,693,245
Receivable from Thanh Hoa Provincial People's	711,449,636	711,449,636
Others	20,978,102,314	21,312,239,472
Total	23,173,302,297	22,161,382,353

4. BAD DEBTS

	Closing balance			Opening balance		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
	VND	VND	VND	VND	VND	VND
People's Committee of Dinh Hoa Commune	4,052,827,000	-	(4,052,827,000)	5,469,488,000	-	(5,469,488,000)
Bach Dang 16 Investment and Development, Jsc	3,379,441,088	-	(3,379,441,088)	3,379,441,088	-	(3,379,441,088)
People's Committee of Dinh Tan Commune	1,794,831,000	-	(1,794,831,000)	1,794,831,000	-	(1,794,831,000)
Thao Trung Joint Stock Company	1,415,642,556	-	(1,415,642,556)	1,415,642,556	-	(1,415,642,556)
People's Committee of Thieu Van Commune	1,397,679,000	-	(1,397,679,000)	1,583,688,700	-	(1,583,688,700)
People's Committee of Thieu Khanh Commune	1,883,564,500	-	(1,883,564,500)	1,951,312,700	-	(1,951,312,700)
Others	6,677,661,606	-	(6,677,661,606)	7,311,957,891	18,330,000	(7,293,627,891)
Total	20,601,646,750	-	(20,601,646,750)	22,906,361,935	18,330,000	(22,888,031,935)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

5. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	17,655,114,496	(2,283,178,030)	18,710,449,870	(2,283,178,030)
Tools and supplies	548,939,852	(133,549,789)	2,270,911,119	(133,549,789)
Work in progress	1,308,070,651	-	1,069,984,412	-
Total	19,512,124,999	(2,416,727,819)	22,051,345,401	(2,416,727,819)

6. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Means of transport and transmission VND	Device management tools VND	Total VND
COST					
Opening balance	372,421,010,967	205,761,557,944	913,023,161,571	3,355,821,259	1,494,561,551,741
Additions during the period	-	608,324,450	-	-	608,324,450
Capital construction investment	-	-	7,697,612,218	-	7,697,612,218
Closing balance	372,421,010,967	206,369,882,394	920,720,773,789	3,355,821,259	1,502,867,488,409
ACCUMULATED DEPRECIATION					
Opening balance	240,894,936,407	146,863,275,733	545,330,140,901	2,790,902,335	935,879,255,376
Charge during the period	6,856,800,525	8,056,208,811	13,278,662,451	120,886,853	28,312,558,640
Closing balance	247,751,736,932	154,919,484,544	558,608,803,352	2,911,789,188	964,191,814,016
NET BOOK VALUE					
Opening balance	131,526,074,560	58,898,282,211	367,693,020,670	564,918,924	558,682,296,365
Closing balance	124,669,274,035	51,450,397,850	362,111,970,437	444,032,071	538,675,674,393

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)****6. TANGIBLE FIXED ASSETS (CONTINUED)**

The cost of fully-depreciated assets that were used as at 30 June 2025 was 496,799,640,362 VND (as at 31 December 2024 was 485,781,684,218 VND)

As at 30 June 2025, the remaining value of tangible fixed assets used as mortgage and pledge for loans is 192,119,192,884 VND (as at 31 December 2024: 202,857,064,366 VND) .

The original cost of the tangible fixed assets received and the counterpart portion of the state budget capital not recorded as a capital increase is 29,136,976,800 VND (see details in Note No. V.13 - Other short-term payables and V.14 - Loans and financial lease debt).

7. INTANGIBLE ASSETS

	Administration software VND	Franchise license VND	Total VND
COST			
Opening balance	893,953,550	58,668,000	952,621,550
Closing balance	893,953,550	58,668,000	952,621,550
ACCUMULATED DEPRECIATION			
Opening balance	510,686,868	58,668,000	569,354,868
Charge for the period	41,266,680	-	41,266,680
Closing balance	551,953,548	58,668,000	610,621,548
NET BOOK VALUE			
Opening balance	383,266,682	-	383,266,682
Closing balance	342,000,002	-	342,000,002

The cost of fully-depreciated assets that were used as at 30 June 2025 was 572,621,550 VND (as at 31 December 2024 was 414,621,550 VND).

8. LONG-TERM CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Renovation and repair of the company headquarters premises	4,042,410,260	2,533,113,890
Renovation of the Mat Son Water Treatment Plant with a capacity of 70,000m ³ /day	16,157,234,250	3,544,627,557
Quang Xuong Water Treatment Plant with a capacity of 15,000m ³ /day	637,858,071	637,858,071
Others	15,224,752,457	12,919,150,333
Total	36,062,255,038	19,634,749,851

9. LONG-TERM PREPAYMENTS

	Closing balance VND	Opening balance VND
Clocks, clock parts and other equipments	12,743,832,620	11,628,427,871
Tools, instruments and repair expenses	18,737,059,420	5,769,096,274
Total	31,480,892,040	17,397,524,145

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

10. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off VND	Amount	Amount able to be paid off VND
Comprehensive Social and Economic Development Project Management Board - HP2	13,405,472,377	13,405,472,377	13,405,472,377	13,405,472,377
Song Chu One Member Limited Liability Company	2,906,422,275	2,906,422,275	1,231,036,565	1,231,036,565
Viet Hong Ha Telecommunication Company Limited	1,922,400,000	1,922,400,000	1,289,628,000	1,289,628,000
Bac Song Ma Water Resources One Member Company Limited	1,386,391,671	1,386,391,671	1,248,024,477	1,248,024,477
Cuc Phuong Joint Stock Company	2,664,396,620	2,664,396,620	2,374,061,740	2,374,061,740
Manh Linh Company Limited	1,755,970,764	1,755,970,764	1,969,970,008	1,969,970,008
Others	13,375,756,217	13,375,756,217	14,811,426,784	14,811,426,784
Total	37,416,809,924	37,416,809,924	36,329,619,951	36,329,619,951

11. TAX AND AMOUNTS RECEIVABLE/ PAYABLE TO THE STATE BUDGET

	Closing balance	Payable/Receivable during the period	Paid/Received during the period	Opening balance
	VND	VND	VND	VND
a. Receivables				
Value added tax	110,800,215	11,604,697,247	11,648,182,878	67,314,584
Corporate income tax	1,075,856	3,284,717,390	-	3,285,793,246
Personal income tax	79,833,637	572,158,500	248,404,813	403,587,324
Total	191,709,708	15,461,573,137	11,896,587,691	3,756,695,154
b. Payables				
Natural resource consumption tax	131,422,310	764,597,520	751,474,050	118,298,840
Environmental protection tax	2,806,386,737	14,816,728,404	14,347,184,557	2,336,842,890
Other taxes, fees, charges and other payables	28,202,323	722,891,832	695,067,492	377,983
Total	2,966,011,370	16,304,217,756	15,793,726,099	2,455,519,713

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

12. ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
a. Short-term accrued expenses		
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (project to increase the capacity of Ham Rong water plant to 35,000 m3)	370,154,725	1,102,569,022
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (Thanh Hoa - Sam Son Pipeline No. 2 project)	233,604,534	203,604,534
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (Quang Xuong water plant project)	304,980,891	224,980,891
Loan interest payable - Vietnam Development Bank (comprehensive socio-economic development project)	4,532,329,885	4,277,725,074
Accrued expenses for land clearance and relocation of water pipelines	2,489,619,743	5,877,750,429
Total	7,930,689,778	11,686,629,950
b. Long-term accrued expenses		
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (project to increase the capacity of Ham Rong water plant to 35,000 m3)	522,000,000	638,000,000
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (Thanh Hoa - Sam Son Pipeline No. 2 project)	360,000,000	420,000,000
Loan interest payable to Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (Quang Xuong water plant project)	1,200,000,000	1,360,000,000
Total	2,082,000,000	2,418,000,000

13. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
Social insurance	-	46,234,933
Dividends payable	43,502,900,106	-
Others	29,762,741,792	41,889,470,364
<i>In which:</i>		
- Counterpart capital from the budget payable to the State (6 district projects - WB) (i)	2,317,382,800	2,317,382,800
- Lach Bang Fishing Port (ii)	1,408,500,000	1,408,500,000
- Thanh Hoa Land Fund Development Center (iii)	17,783,599,000	17,783,599,000
- Others	8,253,259,992	20,379,988,564
Total	73,265,641,898	41,935,705,297

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)**13. OTHER CURRENT PAYABLES (CONTINUED)**

- (i) This is the value of assets that the Company received from the People's Committee of Thanh Hoa province according to Decision No. 423/QD-UBND in 2014 on: Approving the final settlement of capital construction investment to complete the subproject "Competitive route phase 2, Thanh Hoa province under the Vietnam Urban Water Supply Development Project". Accordingly, Thanh Hoa Water Supply Joint Stock Company manages and exploits and uses these assets.

As at June 30, 2025, the recorded historical cost of tangible fixed assets corresponding to the unrecorded increase in state equity at the Company is 2,317,382,800 VND. Accumulated depreciation value is 1,351,361,574 VND.

- (ii) This is the value of assets handed over to Thanh Hoa Water Supply Joint Stock Company according to Decision No. 1517/QD-UBND dated April 26, 2018 of the Chairman of Thanh Hoa Provincial People's Committee "Approval of value The remainder of the domestic water supply system of Lach Bang Fishing Port was transferred from the Management Board of Lach Bang Fishing Port to Thanh Hoa Water Supply Joint Stock Company for management and use".

As at June 30, 2025, the tangible fixed assets handed over above have an original cost of 1,408,500,000 VND; Accumulated depreciation value is 812,511,517 VND.

- (iii) The Company has received the handover of assets from Thanh Hoa Land Fund Development Center, details are as follows:
- According to Decision No. 4211/QD-UBND dated October 26, 2018 of the Chairman of Thanh Hoa Provincial People's Committee "Handing over assets as a result of the implementation process of residential area technical infrastructure projects by the Central Government". Thanh Hoa land fund development center is the investor for the management and use units, the Company has received the handover of assets worth 11,325,213,000 VND.
 - According to Decision No. 4064 dated November 23, 2022 of Thanh Hoa Provincial People's Committee on Approval of finalization of investment capital for completed project: "Technical infrastructure of housing area and green park in urban area South of Thanh Hoa city with Thanh Hoa Land Fund Development Center as the investor", the Company received the handover of assets with a value of 6,458,386,000 VND.

As at 30 June 2025, the tangible fixed assets handed over above have an original cost of VND 17,783,599,000; Accumulated depreciation value is 5,983,989,960 VND.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

14. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the period		Closing balance	
	Amount		Increase		Amount	
	VND	Amount able to be paid off VND	VND	Decrease VND	VND	Amount able to paid off VND
a. Short-term loans and obligations under						
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch	-	-	25,970,295,400	25,970,295,400	-	-
Long-term loan is due to be repaid	21,836,658,000	21,836,658,000	-	-	21,836,658,000	21,836,658,000
Vietnam Development Bank - Thanh Hoa Branch (i)	5,657,650,000	5,657,650,000	-	-	5,657,650,000	5,657,650,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (ii)	3,140,000,000	3,140,000,000	-	-	3,140,000,000	3,140,000,000
Vietnam Development Bank - Thanh Hoa Branch (iii)	4,369,008,000	4,369,008,000	-	-	4,369,008,000	4,369,008,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (iv)	3,270,000,000	3,270,000,000	-	-	3,270,000,000	3,270,000,000
Thanh Hoa Development Investment Fund (v)	1,480,000,000	1,480,000,000	-	-	1,480,000,000	1,480,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (vii)	3,920,000,000	3,920,000,000	-	-	3,920,000,000	3,920,000,000
Total	21,836,658,000	21,836,658,000	25,970,295,400	25,970,295,400	21,836,658,000	21,836,658,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

	Opening balance		In the period		Closing balance	
	Amount		Increase		Decrease	
	VND	paid off VND	VND	VND	VND	Amount able to be paid off VND
b. Long-term loans and obligations under finance leases						
Long-term loans	155,570,584,894	155,570,584,894	23,328,355,372	12,476,329,000	144,718,558,522	144,718,558,522
Vietnam Development Bank - Thanh Hoa Branch (i)	28,288,252,900	28,288,252,900	-	2,828,825,000	31,117,077,900	31,117,077,900
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (ii)	14,360,939,000	14,360,939,000	-	3,140,000,000	17,500,939,000	17,500,939,000
Vietnam Development Bank - Thanh Hoa Branch (iii)	28,398,542,623	28,398,542,623	-	2,184,504,000	30,583,046,623	30,583,046,623
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (iv)	21,254,999,999	21,254,999,999	-	1,635,000,000	22,889,999,999	22,889,999,999
Thanh Hoa Development Investment Fund (v)	2,912,000,000	2,912,000,000	-	728,000,000	3,640,000,000	3,640,000,000
Provincial budget capital - D400 G1P1 cast iron pipe line (vi)	7,627,495,000	7,627,495,000	-	-	7,627,495,000	7,627,495,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch (vii)	29,400,000,000	29,400,000,000	-	1,960,000,000	31,360,000,000	31,360,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam (viii)	23,328,355,372	23,328,355,372	23,328,355,372	-	-	-
Less: Long-term loan is due to be repaid detailed in V/14a	21,836,658,000	21,836,658,000	-	-	21,836,658,000	21,836,658,000
Total	133,733,926,894	133,733,926,894	23,328,355,372	12,476,329,000	122,881,900,522	122,881,900,522

- (i) Loan from Vietnam Development Bank - Thanh Hoa Branch for the competitive route project phase 2 in Thanh Hoa province under the Vietnam Urban Water Supply Development project under the ODA loan framework debt agreement No. 401.V/179.003 March 29, 2010, total loan capital is 96,180,053,900 VND, loan term 20 years, grace period 3 years, interest rate 3%/year includes 0.2% management fee. Repay principal and interest in 34 installments over 17 years from December 1, 2013. The loan is secured by the Company's tangible fixed assets (Note V.6).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

- (ii) Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch under credit contract No. 8674973/2015.01/HDTD dated February 12, 2015 to invest in the project "Renovating and increasing the capacity of Ham Rong water plant capacity from 20,000 to 35,000m³/day". Loan term is 15 years. The grace period is 10 months. The loan principal is paid in 29 installments from January 12, 2016, each period is calculated as 1 semi-year. This loan bears a fixed interest rate of 9.5% - 10.5%/year for the first 5 years from March 12, 2015, the following years have a floating interest rate. Grace interest during the construction period is 1,681,075,573 VND. The loan is secured by the Company's tangible fixed assets (Note V.6).
- (iii) Borrowing under the sub-loan agreement between the Ministry of Finance of the Socialist Republic of Vietnam and Thanh Hoa Water Supply Company Limited (now Thanh Hoa Water Supply Joint Stock Company) to invest in the Comprehensive Development project - Thanh Hoa City Socio-Economy August 10, 2009. Loan limit is 8,573,000 USD. The debt currency is VND. Loan term is 20 years, of which the grace period is 6 years. Principal and interest paid in 28 installments over 14 years from June 15, 2018. Interest rate 3.83%/year. Overdue interest is equal to 150% of current interest. The loan is secured by the Company's tangible fixed assets (Note V.6).
- (iv) Borrow from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch under credit contract No. 8674973/2017.03/VCB dated February 24, 2017 with a maximum total loan amount of 50,000,000,000 VND to invest in implementing the Project " Booster pump station and second transmission pipeline DN400 Thanh Hoa - Sam Son". Floating interest rate. Loan term is 15 years. Principal payable in 30 installments over 15 years from August 27, 2017. The loan is secured by the Company's tangible fixed assets (Note V.6).
- (v) Borrowing from Thanh Hoa Investment and Development Fund according to Contract No. 02/2017/HDTD-QDTPT dated April 20, 2017 and contract appendix No. 02/2017/HDTD-QDTPT dated April 20, 2017 for real investment Project "Boost pump station and second transmission pipeline DN400 Thanh Hoa - Sam Paint". Loan term is 10 years, of which the grace period is 6 months. Principal paid in 38 periods from February 28, 2018, each debt collection period is calculated as 01 quarter. Interest paid monthly, interest rate 7.5%/year. Overdue interest 150% of due interest. The loan is secured by the Company's tangible fixed assets (Note V.6).
- (vi) This is the counterpart capital (budget capital) of component 2 of the comprehensive socio-economic development project of Thanh Hoa City. The tangible fixed assets handed over from the People's Committee of Thanh Hoa province that have not been recorded to increase equity as of June 30, 2024 have historical costs and accumulated depreciation of 7,627,495,000 VND and 3,220,732,276 VND, respectively. (as of January 1, 2025 is 7,627,495,000 VND and 3,032,075,906 VND).
- (vii) Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch according to Contract No. 8674973/2017.04/VCB dated December 22, 2017. The maximum total loan amount is 55,000,000,000 VND. The company borrowed to invest in the project "Construction of Quang Xuong water plant with capacity of 15,000m³/day" in which the borrower is the investor. Loan term is 15 years. Principal paid in 30 installments from December 28, 2018. The loan is secured by the Company's tangible fixed assets (Note V.6).
- (viii) Loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thanh Hoa Branch according to Contract No. 8674973/2024.01/HDTD dated 26 June 2025. The maximum total loan amount is 55,000,000,000 VND to invest in the Comprehensive Development project "Upgrading the technological line and increasing the capacity of Mat Son Water Plant from 50,000 to 70,000 m³/day - Phase 1". Loan term is 15 years, of which the grace period is 12 years. The loan bears a fixed interest rate of 6% per annum for the first 24 months from the date of the first disbursement, and a floating interest rate for the subsequent years. The loan is secured by all assets to be formed in the future from the project to upgrade the technological line and increase the capacity of Mat Son Water Plant.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

Long-term loans are repayable according to the following schedule:

	Closing balance VND	Opening balance VND
Within a year	21,836,658,000	21,836,658,000
From second year to fifth year	82,858,634,900	83,586,632,000
After five years	50,875,291,994	39,295,268,522
Total	155,570,584,894	144,718,558,522
Less: Amount payable within 12 months	21,836,658,000	21,836,658,000
Amount payable after 12 months	133,733,926,894	122,881,900,522

15. OWNER'S EQUITY

a. Movement of owner's equity

	Owner's contributed capital VND	Investment and Development fund VND	Retained earnings VND	Total VND
Balance as at 01 January 2024	329,954,110,000	27,981,894,030	47,568,907,060	405,504,911,090
Profit for the year	-	-	62,147,000,152	62,147,000,152
Allocate to the Investment and Development fund	-	7,135,336,059	(7,135,336,059)	-
Allocate to the Bonus and Welfare Fund	-	-	(7,135,336,059)	(7,135,336,059)
Dividends distribution	-	-	(33,298,234,942)	(33,298,234,942)
Balance as at 01 January 2025	329,954,110,000	35,117,230,089	62,147,000,152	427,218,340,241
Profit for the period	-	-	27,623,320,906	27,623,320,906
Allocate to the Investment and Development fund (*)	-	9,322,050,023	(9,322,050,023)	-
Allocate to the Bonus and Welfare Fund (*)	-	-	(9,322,050,023)	(9,322,050,023)
Dividends distribution (*)	-	-	(43,502,900,106)	(43,502,900,106)
Balance as at 30 June 2025	329,954,110,000	44,439,280,112	27,623,320,906	402,016,711,018

(*) According to Resolution No. 38/NQ-ĐHĐCĐ dated June 16, 2025 of the 2025 Annual General Meeting of Shareholders of Thanh Hoa Water Supply Joint Stock company, the after-tax profit for the year 2024 is allocated as follows: Bonus and Welfare Fund (15%) 9,322,050,023 VND; Development Investment Fund (15%) 9,322,050,023 VND; The remaining amount distributed as dividends 43,502,900,106 VND.

THANH HOA WATER SUPPLY JOINT STOCK COMPANYNo. 99 Mat Son Street, Hac Thanh Ward
Thanh Hoa Province**FORM B 09a - DN**Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)****15. OWNER'S EQUITY (CONTINUED)****a. Detail of owner's contributed equity**

	Closing balance		Opening balance	
	Rate %	Value VND	Rate %	Value VND
People's Committee of Thanh Hoa	63.62%	209,923,710,000	63.62%	209,923,710,000
Mr. Pham Van Tu	20.86%	68,835,000,000	20.86%	68,835,000,000
Others	15.52%	51,195,400,000	15.52%	51,195,400,000
Total	100%	329,954,110,000	100%	329,954,110,000

b. Shares

	Closing balance Shares	Opening balance Shares
Number of shares issued to the public	32,995,411	32,995,411
Number of shares issued and fully contributed capital	32,995,411	32,995,411
+ Ordinary shares	32,995,411	32,995,411
Number of treasury shares	-	-
+ Ordinary shares	-	-
Number of outstanding shares in circulation	32,995,411	32,995,411
+ Ordinary shares	32,995,411	32,995,411
Par value: 10,000 VND/share		

16. BUSINESS AND GEOGRAPHICAL SEGMENTS**Division by geographical segment**

A geographic segment is a distinguishable component of a Company that is engaged in producing or providing products or services within a particular economic environment in which it operates. risks and economic benefits are different from those of business segments in other economic environments.

The company's headquarters is located at No. 99 Mat Son Street, Hac Thanh Ward, Thanh Hoa Province. The factories and units under the Company are all located in Thanh Hoa province. Therefore, the Company does not present segment reports by geographical area.

Department by business segment

For management purposes, the Company's organizational structure is divided into three operating departments: clean water production and supply department; construction, consulting and other departments. The company prepares segment reports according to these three business segments.

The main activities of the above three business divisions are as follows:

- Clean water production and supply department: Production and supply of clean water in Thanh Hoa province
- Construction and consulting department: Construction works according to construction contracts.
- Other departments: The environmental protection fee is retained

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

16. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Balance sheet at 30 June 2025

	Production and supply clean water VND	Construction activities VND	Others VND	Total VND
Assets				
Segment assets	553,351,041,494	45,592,177,288	5,653,515,150	604,596,733,932
Unallocated assets	-	-	-	102,098,495,366
Total assets	-	-	-	706,695,229,298
Liabilities				
Segment liabilities	203,371,534,596	29,762,741,792	43,502,900,106	276,637,176,494
Unallocated liabilities	-	-	-	28,041,341,786
Total liabilities	-	-	-	304,678,518,280

Balance sheet at 01 January 2025

	Production and supply clean water VND	Construction activities VND	Others VND	Total VND
Assets				
Segment assets	575,172,689,766	50,604,593,442	5,908,454,322	631,685,737,530
Unallocated assets	-	-	-	60,928,646,292
Total assets	-	-	-	692,614,383,822
Liabilities				
Segment liabilities	195,152,808,423	41,935,705,297	-	237,088,513,720
Unallocated liabilities	-	-	-	28,307,529,861
Total liabilities	-	-	-	265,396,043,581

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

16. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Income statement from 01 January 2025 to 30 June 2025

	Production and supply clean water	Construction activities	Others	Total
	VND	VND	VND	VND
Sales from goods sold and services rendered				
Net external sales	219,083,039,538	6,823,106,978	1,598,999,973	227,505,146,489
Total net sales	219,083,039,538	6,823,106,978	1,598,999,973	227,505,146,489
Cost of sales	147,974,413,699	5,895,560,038	1,474,228,900	155,344,202,637
Statement Income				
Segment income	71,108,625,839	927,546,940	124,771,073	72,160,943,852
Operating Profit	-	-	-	72,160,943,852
Financial income	-	-	-	1,231,672,301
Profit from other activities	-	-	-	236,661,283
Financial expenses	-	-	-	4,337,284,196
Selling expenses	-	-	-	21,965,503,531
General and administration expenses	-	-	-	16,418,451,413
Profit before tax	-	-	-	30,908,038,296
Current corporate income tax expense	-	-	-	3,284,717,390
Profit in the period				27,623,320,906

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)

16. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Sales from goods sold and services rendered

	Production and supply clean water	Construction activities	Others	Total
	VND	VND	VND	VND
Net external sales	211,290,943,207	8,876,533,625	1,487,760,443	221,655,237,275
Total net sales	211,290,943,207	8,876,533,625	1,487,760,443	221,655,237,275
Cost of sales	145,081,230,248	8,088,280,503	1,504,041,634	154,673,552,385
Statement Income				
Segment income	66,209,712,959	788,253,122	(16,281,191)	66,981,684,890
Operating Profit	-	-	-	66,981,684,890
Financial income	-	-	-	665,759,479
Profit from other activities	-	-	-	1,813,272,665
Financial expenses	-	-	-	5,090,667,535
Selling expenses	-	-	-	20,885,708,825
General and administration expenses	-	-	-	12,968,810,667
Profit before tax	-	-	-	30,515,530,007
Current corporate income tax expense	-	-	-	6,641,919,781
Profit in the period				23,873,610,226

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM INCOME STATEMENT****1. REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	Current period VND	Prior period VND
Revenue from production and supply of clean water	219,083,039,538	211,290,943,207
Revenue from construction activities	6,823,106,978	8,876,533,625
Others	1,598,999,973	1,487,760,443
Total	227,505,146,489	221,655,237,275

2. COST OF SALES

	Current period VND	Prior period VND
Cost of production and supply of clean water	147,974,413,699	145,081,230,248
Cost of construction activities	5,895,560,038	8,088,280,503
Provision for inventory devaluation	1,474,228,900	1,504,041,634
Total	155,344,202,637	154,673,552,385

3. FINANCIAL INCOME

	Current period VND	Prior period VND
Bank and loan interest	1,231,672,301	665,759,479
Total	1,231,672,301	665,759,479

4. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Interest expense	4,337,284,196	5,090,667,535
Total	4,337,284,196	5,090,667,535

5. SELLING EXPENSES AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
a. Selling expenses	21,965,503,531	20,885,708,825
Salary expenses and salary deductions	21,583,331,051	20,228,371,325
Cost of tools and supplies	382,172,480	657,337,500
b. Administration expenses	16,418,451,413	12,968,810,667
Expenses of administrative staffs	8,870,486,125	8,000,053,450
Expenses of materials	105,170,000	122,469,800
Expenses of office requisites	1,106,303,508	876,119,750
Depreciation expenses of fixed assets	704,759,675	649,524,995
Tax, duties, fees	319,506,488	426,599,249
Provisions	(2,286,385,185)	(586,513,681)
Expenses of outsourced services	3,374,919,236	1,509,867,454
Other expenses	4,223,691,566	1,970,689,650
Total	38,383,954,944	33,854,519,492

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM INCOME STATEMENT (CONTINUED)****6. OTHER INCOME**

	Current period VND	Prior period VND
Compensation received for site clearance and relocation of water pipelines	222,629,000	7,211,215,814
Others	27,175,000	109,972,747
Total	249,804,000	7,321,188,561

7. OTHER EXPENSES

	Current period VND	Prior period VND
Expenses related to site clearance for the relocation of water	-	5,230,574,818
Amounts of administrative penalties related to tax violations	13,142,717	277,341,078
Total	13,142,717	5,507,915,896

8. CORPORATE INCOME TAX EXPENSES

	Current period VND	Prior period VND
Profit (loss) before tax	30,908,038,296	30,515,530,007
Adjustments for taxable profit	-	-
Add back:	13,142,717	2,694,068,897
Non-deductible expenses	13,142,717	2,694,068,897
Taxable profit	30,921,181,013	33,209,598,904
Taxable income from the supply of clean water	28,995,188,131	27,870,929,684
Taxable income from other activities	1,925,992,882	5,338,669,220
Tax rate		
Tax rate for socialization activities	10%	20%
Tax rate for other activities	20%	20%
Corporate income tax expense	3,284,717,390	6,641,919,781
Total current corporate income tax expenses	3,284,717,390	6,641,919,781

9. BASIC/DILUTED EARNINGS PER SHARE

	Current period VND	Prior period VND
Profit/(loss) to calculate basic earnings per share	27,623,320,906	23,873,610,226
Less: Deduction from bonus and welfare fund (*)	4,143,498,136	3,581,041,534
Profit calculates basic earnings per share	23,479,822,770	20,292,568,692
Weighted average number of common shares to calculate basic earnings per share	32,995,411	32,995,411
Basic/Diluted earnings per share	712	615

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM INCOME STATEMENT (CONTINUED)****9. BASIC/DILUTED EARNINGS PER SHARE (CONTINUED)**

(*) The estimated bonus and welfare fund for the accounting period ended 30 June 2025 is calculated based on the ratio of the bonus and welfare fund appropriated from the after-tax profit of 2024, multiplied by the ratio of undistributed after-tax profit for the six-month accounting period ended 30 June 2025.

(**) Diluted earnings per share: The Company does not have any potentially dilutive ordinary shares that would affect earnings per share during the financial year and as of the date of this financial statement. Therefore, diluted earnings per share is equal to basic earnings per share.

10. PRODUCTION AND BUSINESS COSTS BY FACTOR

	Current period VND	Prior period VND
Expenses of materials	41,086,284,164	38,592,288,716
Labor costs	76,230,845,076	73,344,509,996
Depreciation expenses of fixed assets	28,353,825,320	27,548,466,864
Provision expense	(2,286,385,185)	(586,513,681)
Expenses of outsourced services	28,682,705,853	21,726,348,434
Other expenses	21,422,796,114	27,138,808,829
Total	193,490,071,342	187,763,909,158

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VII. OTHER INFORMATION****1. RELATED PARTY TRANSACTIONS AND BALANCES**

The income of the Board of Directors, Board of Management, Board of Supervisory and other managers during the period is as follows:

Name	Position	Current period VND	Prior period VND
Le The Son	Chairman	283,335,000	78,000,000
Pham Van Tu	Vice Chairman	34,000,000	3,000,000
Nguyen Ngoc Can	Chief Executive Officer, Member of Board of Directors (resigned on July 01, 2025)	275,049,750	247,500,000
Le Trung Hieu	Chief Executive Officer, Member of Board of Directors (appointed on July 01, 2025)	238,639,600	213,000,000
Le Ngoc Dinh	Deputy Chief Executive Officer (retired from August 01, 2025)	233,189,600	213,000,000
Le Sy Len	Deputy Chief Executive Officer, Member of Board of Directors	263,639,600	233,280,000
Le Van Qui	Member of Board of Directors	237,087,818	175,863,376
Le Thi Ha	Supervisor	207,960,521	192,000,000
Trinh Thi Huyen	Member of Board of Supervisor	153,175,736	115,908,496
Nguyen Cong Khanh	Member of Board of Supervisor	19,500,000	12,000,000
Nguyen Thi Nga	Chief accountant	219,839,600	192,000,000
Nguyen Huy Nam	Chairman	-	111,557,143
Nguyen Hung Phuong	Vice Chairman	-	15,000,000
Duong Van Hoa	Deputy Chief Executive Officer (retired from January 01, 2025)	-	213,000,000
Total		2,165,417,225	2,015,109,015

2. EVENTS AFTER THE ACCOUNTING PERIOD END DATE

There were no subsequent events after the date of preparation of the interim financial statements that require adjustment to or disclosure in the notes to the interim financial statements.



Dang Thi Tien
Preparer



Nguyen Thi Nga
Chief Accountant



Le The Son
Chairman
08 August 2025

