

(VIETVALUES[®]) Audit and Consulting Co., Ltd

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

DANANG WATER SUPPLY JOINT STOCK COMPANY

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

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

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, 2025.

1. Overview

Danang Water Supply Joint Stock Company (“the Company”) was incorporated on the basis of equitization of Da Nang Water Supply Co., Ltd under Decision No. 5354/QD-UBND dated 09/08/2016 by People’s Committee of Danang City. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated July 01, 2010 by Danang Department of Planning and Investment (this Enterprise Registration Certificate has been amended ten times, and the latest amendment was made on July 10, 2025), the Enterprise Law, the Company Charter and other relevant regulations.

The Company was accepted for trading its common shares on UPCoM at Hanoi Stock Exchange in accordance with Decision No. 509/QD-SGDHN dated 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, 2025: 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 Ward, 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 Ward, 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. Nguyen Truong Anh	Member	29/10/2021	
Mr. Phan Thinh	Member	01/05/2025	
Mr. Le Duc Quy	Member	29/10/2021	01/05/2025

4.2 The Supervisory Board

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

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. Tran Phuoc Thuong	Vice General Manager	14/12/2021	
Mr. Phan Thinh	Vice General Manager	01/05/2025	
Mr. Le Duc Quy	Vice General Manager	29/12/2021	01/05/2025
Mr. Pham Hong Minh	Chief Accountant	01/05/2025	
Mr. Phan Thinh	Chief Accountant	29/10/2021	01/05/2025

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 of operational performance

The business results and financial position (consolidate) of the Group for the financial year ended December 31, 2025 have been expressed in the Financial Statements (consolidate) attached to this Report from page 08 to page 48.

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, 2025 would not be seriously affected by any important items, transactions, or any extraordinary events happened up to the reporting date, which need any adjustments to the figures or disclosures in the 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, 2025.

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:

- 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.

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

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

- 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, 2025, and the consolidated results of operations and cash flows for the fiscal year ended as of December 31, 2025 in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting regime and the legal provisions relating to the preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



HO HUONG

Chairman of the Board of Directors

Danang, March 11, 2026



No: 008/2026/BCKT/AUD-DNVVALUES

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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 11, 2026, from page 08 to page 48, which comprise the Consolidated Balance Sheet at December 31, 2025, Consolidated Income Statement, Consolidated Statement of Cash Flows for the fiscal year ended as of December 31, 2025 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 Directors, 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.

Auditor's opinion

In our opinion, the Consolidated financial statements present fairly, in all material respects, the Consolidated financial position of Da Nang Water Supply Joint Stock Company as at 31 December 2025, and its Consolidated results of operations and Consolidated cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and relevant statutory requirements relating to the preparation and presentation of Consolidated financial statements.

Emphasis of Matter

We draw attention to Note VIII.3 “Comparative figures” in the notes to the Consolidated Financial Statements. As described in this note, pursuant to Official Letter No. 3415/UBND-STC dated 25 June 2024 issued by Da Nang City People’s Committee on the adjustment of expenses relating to the use of water supply infrastructure assets funded by the State budget and handed over by the investing entities to the State for management, which were taken over and put into operation by the Company from June 2015 to 31 December 2023, with a total amount of VND 66,057,265,726 (recognized in 2023 and 2024), the Company recorded an amount of VND 33,028,632,863 in cost of sales during 2024. Accordingly, the Company has retrospectively adjusted the comparative figures in accordance with the prevailing Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System on the recognition of expenses in the appropriate accounting periods.

Our opinion is not modified in respect of this matter.

Da Nang, March 11, 2026

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



Huynh Minh Hung – Director of Branch
Audit Practicing Registration Certificate
No: 3402-2025-071-1
Authorized signature

Tran Quoc Bao - Auditor
Audit Practicing Registration Certificate
No. 5199-2026-071-1

File:

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

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

Unit: VND

Code	ASSETS	Notes	31/12/2025	01/01/2025
1	2	3	4	5
100	A. SHORT-TERM ASSETS		590,133,052,327	510,883,440,221
110	I. Cash and cash equivalents	V.1	39,093,360,629	51,135,908,220
111	1. Cash		14,093,360,629	51,135,908,220
112	2. Cash equivalents		25,000,000,000	-
120	II. Short-term financial investments		458,582,646,126	361,488,224,415
121	1. Trading securities		-	-
123	2. Held-to-maturity investments	V.2	458,582,646,126	361,488,224,415
130	III. Short-term receivables		31,111,427,431	27,281,724,088
131	1. Short-term trade receivables	V.3	15,258,244,277	17,087,711,867
132	2. Short-term prepayments to suppliers	V.4	8,003,785,762	1,896,001,013
136	3. Other short-term receivables	V.5	15,717,880,784	16,286,543,075
137	4. Short-term allowances for doubtful debts	V.6	(7,868,483,392)	(7,988,531,867)
140	IV. Inventories	V.7	53,981,753,545	42,443,524,082
141	1. Inventories		53,981,753,545	42,443,524,082
142	2. Allowances for decline in value of inventories (*)		-	-
150	V. Other short-term assets		7,363,864,596	28,534,059,416
151	1. Short-term prepaid expenses	V.8a	431,746,562	416,714,853
152	2. Deductible VAT	V.14	2,779,840,734	17,616,194,694
153	3. Taxes and other receivables from State budget	V.14	4,152,277,300	10,501,149,869
200	B. LONG-TERM ASSETS		972,555,648,861	1,045,602,863,716
210	I. Long-term receivables		-	-
220	II. Fixed assets		906,189,086,090	1,002,883,388,396
221	1. Tangible fixed assets	V.9	904,453,611,086	1,000,790,221,728
222	- Historical costs		2,581,634,598,415	2,575,899,715,202
223	- Accumulated depreciation		(1,677,180,987,329)	(1,575,109,493,474)
227	2. Intangible fixed assets	V.10	1,735,475,004	2,093,166,668
228	- Historical costs		11,888,575,951	11,738,575,951
229	- Accumulated depreciation		(10,153,100,947)	(9,645,409,283)
240	IV. Long-term assets in progress		54,523,313,743	33,241,663,169
241	1. Long-term work in progress		-	-
242	2. Construction in progress	V.11	54,523,313,743	33,241,663,169
250	V. Long-term financial investments		-	-
260	VI. Other long-term assets		11,843,249,028	9,477,812,151
261	1. Long-term prepaid expenses	V.8b	11,843,249,028	9,477,812,151
262	2. Deferred tax assets		-	-
270	TOTAL ASSETS		1,562,688,701,188	1,556,486,303,937

DANANG WATER SUPPLY JOINT STOCK COMPANY

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

Consolidated Balance Sheet (cont'd)

As at December 31, 2025

Code	RESOURCES	Notes	31/12/2025	01/01/2025
1	2	3	4	5
300	C. LIABILITIES		666,853,658,268	787,530,664,943
310	I. Short-term liabilities		256,319,483,112	307,793,819,254
311	1. Short-term trade payables	V.12	48,730,394,604	42,469,751,122
312	2. Short-term prepayments from customers	V.13	865,745,014	980,710,123
313	3. Taxes and other payables to State budget	V.14	12,510,061,636	7,142,123,949
314	4. Payables to employees	V.15	31,573,507,358	29,399,507,369
315	5. Short-term accrued expenses	V.16	2,142,901,290	2,207,585,966
318	6. Doanh thu chưa thực hiện ngắn hạn		1,215,342,467	-
319	6. Other short-term payables	V.17a	93,680,171,336	158,163,511,093
320	7. Short-term borrowings and finance lease liabilities	V.18a	60,444,104,136	60,483,921,067
322	8. Bonus and welfare fund	V.19	5,157,255,271	6,946,708,565
330	II. Long-term liabilities		410,534,175,156	479,736,845,689
337	1. Other long-term payables	V.17b	77,668,085,003	90,364,937,728
338	2. Long-term borrowings and finance lease liabilities	V.18b	326,006,491,200	384,575,177,736
341	3. Deferred income tax payables		384,399,531	321,530,803
343	4. Science and technology development fund		6,475,199,422	4,475,199,422
400	D. OWNER'S EQUITY		895,835,042,920	768,955,638,994
410	I. Owner's equity	V.20	895,495,850,004	768,377,015,785
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		133,128,222,654	128,098,140,692
421	4. Undistributed profit after tax		173,733,479,085	51,644,726,828
421a	- Undistributed profit after tax brought forward		(8,135,297,835)	(36,877,451,058)
421b	- Undistributed profit after tax for the current year		181,868,776,920	88,522,177,886
430	II. Funding sources and other funds		339,192,916	578,623,209
431	1. Funding sources		-	-
432	2. Funds used for fixed asset acquisition	V.21	339,192,916	578,623,209
440	TOTAL RESOURCES		1,562,688,701,188	1,556,486,303,937

Da Nang, March 11, 2026

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NGUYEN THI THANH THUY

Chief Accountant

PHAM HONG MINH

General Manager



HO MINH NAM

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended as of December 31, 2025

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
1	2	3	4	5
01	1. Revenues from sales and services rendered	VI.1	774,253,058,664	644,687,222,815
02	2. Revenue deductions		-	-
10	3. Net revenues from sales and services rendered		774,253,058,664	644,687,222,815
11	4. Costs of goods sold	VI.2	434,066,200,081	415,505,106,849
20	5. Gross revenues from sales and services rendered		340,186,858,583	229,182,115,966
21	6. Financial income	VI.3	25,618,968,480	24,903,652,055
22	7. Financial expenses	VI.4	23,740,670,120	28,798,461,146
23	- In which: Interest expenses		23,740,670,120	28,798,461,146
24	8. Profit or loss of associates and joint ventures		-	-
25	9. Selling expenses	VI.5	39,979,741,389	38,100,686,812
26	10. General administration expenses	VI.6	49,680,290,345	47,817,079,406
30	11. Net profits from operating activities		252,405,125,209	139,369,540,657
31	12. Other income	VI.7	9,786,218,267	5,138,302,526
32	13. Other expenses		652,720,636	465,346,780
40	14. Other profits		9,133,497,631	4,672,955,746
50	15. Total net profit before tax		261,538,622,840	144,042,496,403
51	16. Current corporate income tax expenses	V.14	27,439,322,293	14,794,550,376
52	17. Deferred corporate income tax expenses	V.14	62,868,727	150,925,441
60	18. Profits after corporate income tax		234,036,431,820	129,097,020,586
61	19. Net profit after tax of the parent		234,036,431,820	129,097,020,586
62	20. Net profit after tax of NCI		-	-
70	21. Basic earnings per share	VI.8	3,594	1,983
71	22. Diluted earnings per share	VI.9	3,594	1,983

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NGUYEN THI THANH THUY

Chief Accountant

PHAM HONG MINH

Da Nang, March 11, 2026

General Manager



HU MINH NAM

STATEMENT OF CONSOLIDATED CASH FLOWS

(Indirect method)

For the fiscal year ended as of December 31, 2025

Unit: VND

Code	Items	Notes	Current year	Previous year
1	2	3	4	5
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		261,538,622,840	144,042,496,403
	2. Adjustments for		-	-
02	- Depreciation of fixed assets and investment properties	V.9, V.11	115,949,692,171	114,802,981,917
03	- Provisions		(120,048,475)	84,200,623
04	- Gains (losses) on exchange rate differences from revaluation of accounts derived from foreign currencies		-	(14,643,447)
05	- Gains (losses) on investing activities	VI.3	(25,616,357,786)	(24,869,189,069)
06	- Interest expenses	VI.4	23,740,670,120	28,798,461,146
07	- Other adjustments		-	-
08	3. Operating profit before changes in working capital		375,492,578,870	262,844,307,573
09	- Increase (decrease) in receivables		26,761,636,789	16,863,393,762
10	- Increase (decrease) in inventories		(11,538,229,463)	(2,113,038,886)
11	- Increase (decrease) in payables (exclusive of interest payables, enterprise income tax payables)		(55,907,392,035)	(76,214,087,581)
12	- Increase (decrease) in prepaid expenses		(2,380,468,586)	(838,419,354)
14	- Interest paid		(23,800,730,287)	(28,872,942,880)
15	- Corporate income tax paid	V.14	(14,893,846,402)	-
16	- Other receivables on operating activities		-	-
17	- Other payments on operating activities		(15,964,553,294)	(16,728,371,128)
20	Net cash flows from operating activities		277,768,995,592	154,940,841,506
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Expenditures on purchase and construction of fixed assets and long-		(66,106,852,807)	(38,858,202,529)
23	2. Expenditures on loans and purchase of debt instruments from other		(513,269,767,377)	(315,737,978,104)
24	3. Proceeds from lending or repurchase of debt instruments from other		416,175,345,666	316,955,717,809
27	4. Proceeds from interests, dividends and distributed profits		24,740,732,402	27,504,714,711
30	Net cash flows from investing activities		(138,460,542,116)	(10,135,748,113)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	VII.1	1,875,417,600	-
34	2. Repayment of principal	VII.2	(60,483,921,067)	(61,944,423,952)
36	3. Dividends and profits paid to owners	V.20	(92,742,497,600)	(98,538,903,700)
40	Net cash flows from financing activities		(151,351,001,067)	(160,483,327,652)
50	Net cash flows during the fiscal year (20+30+40)		(12,042,547,591)	(15,678,234,259)
60	Cash and cash equivalents at the beginning of fiscal year		51,135,908,220	66,799,499,032
61	Effect of exchange rate fluctuations		-	14,643,447
70	Cash and cash equivalents at the end of fiscal year	V.1	39,093,360,629	51,135,908,220

Prepare



NGUYEN THI THANH THUY

Chief Accountant



PHAM HONG MINH



Da Nang, March 11, 2026

General Manager

HO MINH NAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended as of December 31, 2025

These notes are an integral part of and should be read in conjunction with the audited Consolidated Financial Statements for the fiscal year ended as of December 31, 2025 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/QD-UBND dated 09/08/2016 by Da Nang City People's Committee. The Company is an independent accounting entity, operating in accordance with Enterprise Registration Certificate No. 0400101066 dated 01/7/2010 by Da Nang City Planning and Investment Department (this Enterprise Registration Certificate has been amended ten times, and the nearest amendment was made July 10, 2025), the Enterprise Law, its Charter and other relevant regulations.

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

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

Revenue in 2025 increased by more than 20% compared to the previous year, mainly due to the growth in the volume of water sold together with an increase in clean water tariffs of more than 13%, effective from 1 January 2025. Meanwhile, the cost of goods sold increased by only approximately 5% compared to the previous year, mainly due to lower raw water costs in accordance with Decision No. 2967/QĐ-UBND dated 31 December 2024, under which the Group recognizes raw water purchase costs based on actual prices. In addition, financial income increased while interest expenses decreased, resulting in profit before tax in 2025 increasing by more than 81% compared to 2024.

The Group has no events related to the legal environment, market developments, business operation characteristics, management, finance, mergers, divisions, splits, or changes in scale,... that affect the Company's Financial Statements during the period.

6. 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 Cuong Ward, Da Nang City	Installation of the system water supply and drainage	100%	100%	100%	100%	100%	100%

7. Employees

As on December 31, 2025, there are 510 persons who are working at the Group. (There are 532 persons as at January 1, 2025).

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, 2025.

2. The currency used in accounting

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

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting standards and system

The 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, 2025, 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, 2025.

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, 2025 and the consolidated balance sheet as on December 31, 2025 (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>Depreciation period (years)</u>
Buildings, Architectures	10 – 25
Machinery, equipment	06 – 15
Means of transportation	06 – 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>Depreciation period (years)</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.

Construction revenue

When the construction contract performance result can be reliably estimated:

- Where a construction contract stipulates that the contractor is allowed to make payments according to the set schedule, revenue and related costs are recognized in proportion to the work completed, as determined by the Company at the financial year-end.
- Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the invoice.

Increase and decrease amounts of construction and installation volume, compensation income and other income are recognized as revenue when having unanimity from customer.

When the construction contract performance result cannot be reliably estimated:

- Revenue shall only be recognized to match the already arising contract costs, the reimbursement thereof is relatively sure.
- Contract costs shall only be recognized as in-period costs when they have already arisen.
- The difference between the total accumulated revenues of the construction contract recognized and the accumulated amount inscribed in invoices of payments according to the scheduled progress of the contract is recognized as a receivable or payable according to the scheduled progress.

Revenue from lease operating assets

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

Interest

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

Dividends and shared profit

Dividends and shared profit are recognized when 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.
- For monetary items denominated in foreign currencies classified as liabilities: the selling rate of the bank where the Group regularly has transactions.

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, 2025	Jan 01, 2025
Cash in hand	31,125,692	56,242,485
Cash at bank	14,062,234,937	51,079,665,735
Tương đương tiền - Tiền gửi kỳ hạn không quá 3 tháng	25,000,000,000	-
- Vietnam-Russia Joint Venture Bank - Da Nang Branch	25,000,000,000	-
Total	39,093,360,629	51,135,908,220

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2. Held-to-maturity investments

	Dec 31, 2025	Jan 01, 2025
More than 3 months to 1 year term deposits	458,582,646,126	361,488,224,415
- National Citizen Commercial JS Bank - Da Nang Branch	105,000,000,000	-
- EVN Finance JS Company	100,000,000,000	130,000,000,000
- Vietnam-Russia Joint Venture Bank - Da Nang Branch	-	37,000,000,000
- SaiGon-HaNoi Commercial JS Bank - Da Nang Branch	87,534,971,634	52,400,000,000
- Vietnam Asia Commercial JS Bank - Da Nang Branch	45,000,000,000	97,000,000,000
- Vietnam Thuong Tin Commercial JS Bank - Thanh Khe Transaction Office	10,000,000,000	7,000,000,000
- An Binh Commercial JS Bank - Da Nang Branch	35,000,000,000	-
- JS Commercial Bank For Foreign Trade Of Vietnam	6,047,674,492	5,787,283,615
- Ngân hàng TMCP Việt Nam Thịnh Vượng Branch	-	30,000,000,000
- Nam A Commercial JS Bank - Da Nang Branch	-	2,300,940,800
- Orient Commercial Bank - Da Nang Branch	20,000,000,000	-
- Vietnam Export Import Commercial Bank - Da Nang Branch	20,000,000,000	-
- Saigon Thuong Tin Joint Stock Bank - Da Nang Branch	30,000,000,000	-
Total	458,582,646,126	361,488,224,415

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

3. Short-term trade receivables

	Dec 31, 2025	Jan 01, 2025
<i>Receivables from customers being related parties</i>	-	-
<i>Receivables from other customers</i>	15,258,244,277	17,087,711,867
- Trung Nam Hue Crossroad BT Limited Company	4,090,711,000	4,129,593,002
- Others	11,167,533,277	12,958,118,865
Total	15,258,244,277	17,087,711,867

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

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4. Short-term prepayment to suppliers

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Prepayments to related parties	-	-
Prepayments to other entities	8,003,785,762	1,896,001,013
VisNam Informatics Technology Solution and Business Company Limited	-	314,880,000
Tin Nghia Trading and Technical Services Co., Ltd (a)	4,686,000,000	-
Asia Engineering Joint Stock Company (b)	867,089,003	-
Others	2,450,696,759	1,581,121,013
Total	<u>8,003,785,762</u>	<u>1,896,001,013</u>

As of December 31, 2025, the balance of short-term prepayments to sellers determined to be bad debt is VND 955,081,263. The Group has made provisions for bad debts according to regulations.

- (a) Advance payments for directional drilling works for pipeline installation across the river under Contract No. 57/2025/HĐTC-CTCN dated 9 July 2025, and advance payments for pipeline installation and the supply and installation of equipment under Contract No. 61/2025/HĐTC-CTCN dated 17 July 2025.
- (b) Advance payments for the installation of D400 and D300 water supply pipelines under Contract No. 76/2025/HĐTC-CTCN dated 15 September 2025

5. Other short-term receivables

	<u>Dec 31, 2025</u>		<u>Jan 01, 2025</u>	
	Amount	Allowance	Amount	Allowance
Receivables from related parties	-	-	-	-
Receivables from other entities	11,190,641,191	-	10,781,218,815	-
- Accrued interest	9,655,366,391	-	8,779,741,007	-
- Advance	1,535,274,800	-	2,001,477,808	-
- Short-term deposits	712,212,080	-	1,190,078,000	-
- Other receivables	3,815,027,513	-	4,315,246,260	-
Total	<u>15,717,880,784</u>	<u>-</u>	<u>16,286,543,075</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 31/12/2025, the Group has no other receivables that are past due or uncollectible.

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Notes to the consolidated financial statements (Cont'd)

6. Short-term allowances for doubtful debts

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Allowances for receivable debt which has been overdue for 3 years or more	7,481,856,843	7,380,094,026
Allowances for receivable debt which has been overdue for between 2 years and under 3 years	215,240,087	344,081,448
Allowances for receivable debt which has been overdue for between 1 year and under 2 years	119,921,956	210,958,681
Allowances for receivable debt which has been overdue for between over 6 months and under 1 year	51,464,506	53,397,712
Closing balance	<u>7,868,483,392</u>	<u>7,988,531,867</u>

Statement of changes in allowances for short-term doubtful debts

	<u>Current year</u>	<u>Previous year</u>
Opening balance	7,988,531,867	7,904,331,244
Increase during the year	74,016,277	84,200,623
Decrease during the year	(194,064,752)	-
Closing balance	<u>7,868,483,392</u>	<u>7,988,531,867</u>

7. Inventories

	<u>Dec 31, 2025</u>		<u>Jan 01, 2025</u>	
	<u>Historical cost</u>	<u>Allowance</u>	<u>Historical cost</u>	<u>Allowance</u>
Raw materials	51,903,475,063	-	40,197,139,972	-
Tools and supplies	361,825,215	-	363,155,106	-
Work in progress	1,716,453,267	-	1,883,229,004	-
Total	<u>53,981,753,545</u>	<u>-</u>	<u>42,443,524,082</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, 2025.

- There is no stagnant, inferior quality inventory as on December 31, 2025.

- There is no inventory for collateral, mortgaged to ensure the debt as on December 31, 2025.

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8. Prepaid expenses

8a. Short-term

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

The movement of short-term prepaid expenses during the period

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

8b. Long-term

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Cost of installing branch pipes	6,297,066,115	4,432,764,564
Other instrument & tools awaiting for allocation	5,546,182,913	5,045,047,587
Total	<u>11,843,249,028</u>	<u>9,477,812,151</u>

The movement of long-term prepaid expenses during the period

	<u>Current year</u>	<u>Previous year</u>
Opening balance	9,477,812,151	8,814,528,172
Increase	17,508,649,574	13,898,116,716
Decrease	(12,397,327)	(73,717,846)
Allocation in the year	(15,130,815,370)	(13,161,114,891)
Closing balance	<u>11,843,249,028</u>	<u>9,477,812,151</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	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
Increasing in the year	2,533,834,280	7,250,240,529	23,624,132,599	64,057,240	483,965,755	33,956,230,403
+ Completed construction	2,533,834,280	7,250,240,529	22,989,306,525	-	483,965,755	33,257,347,089
+ Purchase	-	-	634,826,074	64,057,240	-	698,883,314
Decreasing in the year	(1,159,333,883)	-	(27,062,013,307)	-	-	(28,221,347,190)
Closing balance	210,000,520,276	163,486,539,618	2,198,061,209,865	8,461,205,554	1,625,123,102	2,581,634,598,415
Depreciation						
Opening 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
Increasing in the year	5,779,419,943	12,499,976,154	96,809,237,709	497,863,056	94,933,938	115,681,430,800
Decreasing in the year	-	(1,159,333,883)	(12,450,603,062)	-	-	(13,609,936,945)
Closing balance	170,184,520,899	113,173,916,848	1,385,839,984,205	7,269,630,880	712,934,497	1,677,180,987,329
Net book value						
Opening 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
Closing balance	39,815,999,377	50,312,622,770	812,221,225,660	1,191,574,674	912,188,605	904,453,611,086

Cost of fixed assets that have depreciated fully are still using as on December 31, 2025: VND 1,232,596,406,373.

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

Carrying amount of fixed assets mortgaged for loans as on December 31, 2025: VND 683,126,543,259 (refer to Note V.18).

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10. Intangible fixed assets

	Accounting Software	Management Software	Total
Historical cost			
Opening balance	54,000,000	11,684,575,951	11,738,575,951
Increase during the year	-	150,000,000	150,000,000
Decrease during the year	-	-	-
Closing balance	54,000,000	11,834,575,951	11,888,575,951
Depreciation			
Opening balance	54,000,000	9,591,409,283	9,645,409,283
Depreciation during the year	-	507,691,664	507,691,664
Foreign exchange differences	-	-	-
Closing balance	54,000,000	10,099,100,947	10,153,100,947
Net book value			
Opening balance	-	2,093,166,668	2,093,166,668
Closing balance	-	1,735,475,004	1,735,475,004

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

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

11. Construction in progress

	Dec 31, 2025	Jan 01, 2025
- Project on expansion Da Nang water supply system period 2012 - 2018	-	4,578,238,041
- Southeast transmission pipeline in Da Nang city	5,318,414,998	-
- Water supply pipeline D400, D300 along Truong Sa road (section from Vo Qui Huan to Cocobay – bordering Quang Nam province)	3,933,804,314	-
- Construction of D225 HDPE, D200 PVC pipeline from DH2 road, Cau Giang to Hoang Van Thai	3,276,275,031	2,641,643,164
- Other projects	41,994,819,400	26,021,781,964
Total	54,523,313,743	33,241,663,169

(*) The value of construction investment costs in progress that are being mortgaged for bank loans as of December 31, 2025 is 1,117,411,729 VND (see Note No. V.18).

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12. Short-term trade payables

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
<i>Trade payables to related parties</i>	-	-
<i>Trade payables to other entities</i>	48,730,394,604	42,469,751,122
Da Nang City Urban Infrastructure Management Center	9,258,901,260	14,568,808,506
Construction Joint Stock Company No. 5	9,362,525,090	13,094,632,090
Vietnam Urban Consulting & Investment Joint Stock Company	12,033,669,222	-
Others	18,075,299,032	14,806,310,526
Total	<u>48,730,394,604</u>	<u>42,469,751,122</u>

As on December 31, 2025, there is no liability due but not yet paid.

13. Short-term prepayments from customers

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
<i>Prepayments from customers being related parties</i>	-	-
<i>Prepayments from other customers</i>	865,745,014	980,710,123
Project Management Board of Construction Investment of Da Nang Traffic Works	413,590,798	413,590,798
Nam Viet A Construction Investment and Infrastructure Development	-	258,860,783
Others	452,154,216	308,258,542
Total	<u>865,745,014</u>	<u>980,710,123</u>

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14. Taxes and other receivables, payables to States budget

	Jan 01, 2025		Payable during the fiscal year	Paid amounts during the fiscal year	Dec 31, 2025	
	Receivables	Payables			Receivables	Payables
Value added tax	17,618,681,411	-	23,927,152,457	9,090,798,496	3,394,706,625	612,379,175
Corporate income tax	8,421,022,603	-	27,439,322,293	14,893,846,402	10,582,859	4,135,036,147
Personal income tax	2,077,640,549	-	2,062,243,216	2,426,770,425	2,442,167,758	-
Natural resource tax	-	372,992,250	4,316,983,500	4,283,562,550	-	406,413,200
Land tax and land rent	-	-	1,677,919,429	2,762,580,221	1,084,660,792	-
Fees and charges	-	6,769,131,699	97,289,652,806	96,702,551,391	-	7,356,233,114
Total	28,117,344,563	7,142,123,949	156,726,273,701	130,173,109,485	6,932,118,034	12,510,061,636

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/QD-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/QD-TTg dated October 10, 2008 and consistent with the planning in Decision No. No. 9018/QD-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	261,538,622,840	144,042,496,403
Adjustment to taxable income		
	3,610,834,933	6,113,965,315
Increasing adjustment	3,610,834,933	6,128,608,762
+ Remuneration of non-executive Board of Directors	370,700,000	292,500,000
+ Cost of handling backlog construction	-	10,817,795
+ Set up a science and technology development fund	2,000,000,000	-
+ Raw water cost difference paid to the state	-	4,257,129,378
+ Other improper expenses	1,240,134,933	1,559,730,948
+ Gains on exchange rate differences from year-end revaluation of prior-year cash and receivables	-	8,430,641
- Decreasing adjustment	-	(14,643,447)
+ Gains on exchange rate differences from year-end revaluation of cash and receivables	-	(14,643,447)
Total taxable income	265,149,457,773	150,156,461,718
- Income from water industry	252,444,074,153	142,486,195,252
- Income from other activities	12,705,383,620	3,413,137,088
- Income from raw water cost difference paid to the state	-	4,257,129,378
Taxable temporary differences	(116,652,183)	250,746,592
Total tax calculation income	265,149,457,773	150,407,208,310
- Income from water industry	252,444,074,153	142,486,195,252
- Income from other activities	12,588,731,437	3,663,883,680
- Income from raw water cost difference paid to the state	-	4,257,129,378
Science and technology fund appropriation part	2,000,000,000	-
Total tax calculation income excludes the setup science and technology fund part	263,149,457,773	150,407,208,310
- Income from water industry	250,444,074,153	142,486,195,252
- Income from other activities	12,588,731,437	3,663,883,680
- Income from raw water cost difference paid to the state	-	4,257,129,378
Corporate income tax	27,562,153,702	15,832,822,137
- Income from water industry (10%)	25,044,407,415	14,248,619,525
- Income from other activities (20%)	2,517,746,287	732,776,736
- CIT corresponding to the raw water cost difference paid to the State (20%)	-	851,425,876
Current corporate income tax expenses	27,562,153,702	15,832,822,137
In which:		
- Current corporate income tax expenses	27,439,322,293	14,794,550,376
- CIT paid on behalf of the state arises due to the difference in the cost of purchasing raw water paid to the state budget	-	851,425,876
- CIT for invalid documentation	-	35,920,444
- Deferred CIT corresponding to the provision/(reversal) of provision for investments losses in Subsidiaries	62,868,727	150,925,441

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.

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Other taxes

The Group has declared and paid under regulations.

15. Payables to employees

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Salary	31,573,507,358	29,399,507,369
Total	<u>31,573,507,358</u>	<u>29,399,507,369</u>

16. Short-term accrued expenses

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Electricity costs	1,531,336,275	1,398,000,039
Interest payable	262,251,935	322,312,102
Fee for water fee collection	288,369,636	259,611,000
Costs of using electronic invoices	-	110,492,980
Other accrual expenses	60,943,444	117,169,845
Total	<u>2,142,901,290</u>	<u>2,207,585,966</u>

17. Other payables

a. Short-term

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Other payables to related parties	90,487,301,095	155,264,259,411
Other payables to other entities	3,192,870,241	2,899,251,682
Saigon - Da Nang Investment Joint Stock Company	1,221,614,989	1,221,614,989
Short-term deposit received	9,502,920	-
Others	1,961,752,332	1,677,636,693
Total	<u>93,680,171,336</u>	<u>158,163,511,093</u>

b. Long-term

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Payables to related parties	64,392,446,164	80,490,446,164
Other payables to other entities	13,275,638,839	9,874,491,564
Long-term deposit received	13,275,638,839	9,874,491,564
Total	<u>77,668,085,003</u>	<u>90,364,937,728</u>

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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	60,483,921,067	-	(60,483,921,067)	60,444,104,136	60,444,104,136
- 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)	2,775,704,931	-	(2,775,704,931)	2,735,888,000	2,735,888,000
- JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii)	9,873,820,000	-	(9,873,820,000)	9,873,820,000	9,873,820,000
- Shinhan Bank Vietnam Limited - Danang Branch (iv)	25,109,596,136	-	(25,109,596,136)	25,109,596,136	25,109,596,136
Total	60,483,921,067	-	(60,483,921,067)	60,444,104,136	60,444,104,136

18b. Long-term

	Opening balance	Increase during the year	Paid during the year	Reclassification to short-term	Closing balance
Long-term borrowings	384,575,177,736	1,875,417,600	-	(60,444,104,136)	326,006,491,200
- Danang City Investment and Development Fund (i)	114,417,367,666	1,875,417,600	-	(22,724,800,000)	93,567,985,266
- JSC Bank for Investment and Development of Vietnam (ii)	9,432,988,605	-	-	(2,735,888,000)	6,697,100,605
- JSC Bank for Foreign Trade of Vietnam - Danang Branch (iii)	65,990,375,924	-	-	(9,873,820,000)	56,116,555,924
- Shinhan Bank Vietnam Limited - Danang Branch (iv)	194,734,445,541	-	-	(25,109,596,136)	169,624,849,405
Total	384,575,177,736	1,875,417,600	-	(60,444,104,136)	326,006,491,200

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, 2025

- (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.11)
 - 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).
 - Loan Agreement No. 01/2025/HĐTD dated 27/11/2025 for the project "Construction of D500, D400 and D300 pipelines and reinstatement of the existing D220–D63 pipeline along National Highway 14B". The credit limit is VND 45,000,000,000 with a loan term of 144 months. The interest rate is 5.6% per annum and is subject to adjustment in accordance with the lender's interest rate decisions issued from time to time. The interest rate applicable to overdue principal balances is 150% of the applicable lending interest rate. Loan security mode: Existing machinery and equipment and assets to be formed in the future under the project (refer to Note V.11)
- (ii) The loans from Joint Stock Commercial Bank for Investment and Development of Vietnam - Da Nang Branch is as follows Loan Agreement No. 02/2020/257027/HĐTD dated 16/04/2020 for 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/HDTD-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/ĐN/CR/HĐTD-002 dated 13/12/2021 to implement the project "Increase the capacity of An Trach anti-salt pumping station from 210,000m³/day to 420,000m³/day ". The credit limit is VND 220,206,000,000, borrowing term is 12 years. Loan interest rate will apply reference interest rate + margin of 0.5%/year, interest rate adjustment will be made adjusted every 3 months during the loan term, the interest rate applied to the overdue principal is 150% of the loan interest rate within the term. The reference interest rate is the average interest rate of 12-month savings deposits applied to individual customers of four (04) banks, including: Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank for Industry and Trade of Vietnam and Joint Stock Commercial Bank for Investment and Development of Vietnam were announced. The loan is secured by the assets to be formed in the future. (Refer to Note No.V.11).

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19. Bonus and welfare fund

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

The situation of setting up and using reward and welfare funds

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

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, 2024	579,640,610,000	8,993,538,265	117,103,023,611	46,485,768,419	752,222,940,295
Increase during the year	-	-	10,995,117,081	129,097,020,586	140,092,137,667
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	51,644,726,828	768,377,015,785
Balance as at Jan 01, 2025	579,640,610,000	8,993,538,265	128,098,140,692	51,644,726,828	768,377,015,785
Increase during the year	-	-	5,030,081,962	234,036,431,820	239,066,513,782
Decrease during the year	-	-	-	(111,947,679,563)	(111,947,679,563)
Balance as at Dec 31, 2025	579,640,610,000	8,993,538,265	133,128,222,654	173,733,479,085	895,495,850,004

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, 2025

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20b. Details of investment capital

	Dec 31, 2025		Jan 01, 2025	
	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	579,640,610,000	100	579,640,610,000

20c. Undistributed profit after tax

	Current year	Previous year
Profits brought forward	51,644,726,828	46,485,768,419
Profits after corporate income tax of current period	234,036,431,820	129,097,020,586
Profit distribution	111,947,679,563	123,938,062,177
Previous year's profit distribution	59,780,024,663	83,363,219,477
- Set up bonus and welfare fund	13,600,000,000	13,818,067,533
- Set up fund of Executive Management Board	575,100,000	585,973,863
- Divide the dividend by cash	40,574,842,700	57,964,061,000
- Set up development and investment funds	5,030,081,962	10,995,117,081
Current year's profit distribution (Divide the dividend)	52,167,654,900	40,574,842,700
Total	173,733,479,085	51,644,726,828

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	92,742,497,600	98,538,903,700

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20e. Shares

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
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

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Opening balance	578,623,209	818,053,503
Depreciation for the year	(239,430,293)	(239,430,294)
fixed asset acquisitions in year-end	<u>339,192,916</u>	<u>578,623,209</u>

22. Off-balance sheet accounts – Doubtful debts handled

	<u>Dec 31, 2025</u>	<u>Jan 01, 2025</u>
Doubtful debts handled	616,548,230	444,333,718

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

1. Revenues

	<u>Current year</u>	<u>Previous year</u>
Revenue from water industry	769,255,381,249	640,504,754,381
Revenue from other activities	4,997,677,415	4,182,468,434
Total	<u>774,253,058,664</u>	<u>644,687,222,815</u>

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2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Cost of goods sold from water industry	430,053,805,739	411,559,074,585
Cost of goods sold from other activities	4,012,394,342	3,946,032,264
Total	<u>434,066,200,081</u>	<u>415,505,106,849</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Deposits, loans interest	25,616,357,786	24,888,943,302
Gains on exchange rate differences from payments	2,610,694	65,306
Foreign exchange gain	-	14,643,447
Total	<u>25,618,968,480</u>	<u>24,903,652,055</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Interest expenses	23,740,670,120	28,798,461,146
Total	<u>23,740,670,120</u>	<u>28,798,461,146</u>

5. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Cost of raw materials	7,440,710,954	6,184,486,154
Employees cost	27,983,026,128	27,014,569,793
Fixed asset depreciation	9,375,000	22,500,000
Costs of outsourced services	4,541,510,612	4,663,277,837
Other explicit expenses	5,118,695	215,853,028
Total	<u>39,979,741,389</u>	<u>38,100,686,812</u>

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6. General administration expenses

	<u>Current year</u>	<u>Previous year</u>
Cost of raw materials	73,371,594	1,012,316,378
Employees cost	29,719,526,046	25,260,777,260
Fixed asset depreciation	3,034,753,501	2,822,561,560
Set up a science and technology development fund	2,000,000,000	-
Allowances for doubtful debts	52,166,037	84,200,623
Costs of outsourced services	1,525,180,375	2,853,551,104
Other explicit expenses	13,275,292,792	15,783,672,481
Total	<u>49,680,290,345</u>	<u>47,817,079,406</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	3,299,499,081	3,162,749,243
Bad debts have been handled and now are recovered	17,740,704	12,875,528
Liquidation of used Larsen piles	6,370,352,932	-
Collecting penalties for breach of contract.	9,728,717	-
Other income	88,896,833	70,677,755
Total	<u>9,786,218,267</u>	<u>5,138,302,526</u>

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Depreciation of fixed assets during temporary suspension of operations	430,995,816	430,995,816
Liquidation of used Larsen piles	113,089,332	19,754,233
Handling backlog construction	-	10,817,795
Penalties for administrative violations	-	3,778,872
Other expenses	108,635,488	64
Total	<u>652,720,636</u>	<u>465,346,780</u>

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9. Basic earnings per share

	<u>Current year</u>	<u>Previous year</u>
- Profit after corporate income tax	234,036,431,820	129,097,020,586
- Increasing/Decreasing adjustment to accounting profit to determine profit allocated to ordinary shareholders:		
+ Set up bonus and welfare fund	(25,697,648,248)	(14,175,100,001)
- Profit or loss attributable to shareholders owning ordinary shares	(25,697,648,248)	(14,175,100,001)
- Weighted average number of ordinary shares (shares)	208,338,783,572	114,921,920,585
	57,964,061	57,964,061
Basic earnings per share (VND/share) (*)	<u>3,594</u>	<u>1,983</u>

(*) A retrospective adjustment was made to after-tax accounting profit (see Note VIII.3) and the appropriation to the reward and welfare fund from the after-tax profit of 2024 in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-ĐHĐCĐ dated 18 April 2025. Accordingly, "Basic earnings per share" for the year ended 31 December 2024 amounted to VND 1,983 per share, instead of VND 1,547 per share as previously presented in the consolidated financial statements for the year ended 31 December 2024.

(*) Basic earnings per share for 2025 is calculated based on profit after tax after deduction of the appropriation to the reward and welfare fund. The appropriation to the reward and welfare fund for the current year has been provisionally determined based on a rate consistent with that applied in the prior year. The final amount may be subject to change, if any, depending on the official resolution of the Annual General Meeting of Shareholders to be held in 2026.

Weighted average number of ordinary shares is calculated as follow:

	<u>Current year</u> <u>Shares</u>	<u>Previous year</u> <u>Shares</u>
Ousting 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)	<u>57,964,061</u>	<u>57,964,061</u>

10. Diluted earnings per shares

	<u>Current year</u>	<u>Previous year</u>
- Net profit attributable to the Company's shareholders used to calculate basis earnings per share	208,338,783,572	114,921,920,585
Increasing/Decreasing adjustment to profit:		
- Profit to calculate diluted earnings per share	-	-
The number of ordinary shares used to calculate diluted earnings per share	208,338,783,572	114,921,920,585
	57,964,061	57,964,061
Diluted earnings per share (VND/share) (*)	<u>3,594</u>	<u>1,983</u>

(*) Refer to Note No.VI.10.

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11. Operating expenses according to elements

	<u>Current year</u>	<u>Previous year</u>
Cost of raw materials	31,331,239,201	65,860,013,359
Employees cost	119,607,649,103	122,015,634,160
Fixed asset depreciation	115,442,000,507	114,802,981,917
Costs of outsourced services	138,129,731,576	105,495,345,820
Other explicit expenses	13,285,789,526	26,954,508,447
Total	<u>417,796,409,913</u>	<u>435,128,483,703</u>

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	1,875,417,600	-
Total	<u>1,875,417,600</u>	<u>-</u>

2. Repayments for borrowing

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

Related parties	Current year	Previous year
People's Committee of Danang City	-	-
- Raw water costs difference	-	4,257,129,378
- Dividend distribution	55,718,747,200	59,201,168,900
- Cost of clean water infrastructure usage	11,276,945,529	14,693,486,666
- 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	32,458,790,400	34,487,464,800

1.c Balances with related parties

Related parties	Dec 31, 2025	Jan 01, 2025
People's Committee of Danang City		
- Property handed over from the budget	63,112,355,566	80,092,123,622
- Raw water cost difference	-	3,405,703,502
- Capital payable for Budget (*)	80,490,446,164	96,588,446,164
- Payable for the use of clean water infrastructure	11,276,945,529	55,668,432,287

(*) 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.

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

No	Board of Management	Position	From Jan 1, 2025 to Dec 31, 2025		
			Salary	Remuneration	Total
1	Ho Huong	Chairman of BOD	967,680,000	-	967,680,000
2	Dang Thanh Binh	Member of the BOD	-	120,000,000	120,000,000
3	Ho Minh Nam	Member of the BOD - General Manager	909,619,200	-	909,619,200
4	Phan Thinh	Member of the BOD - Vice General Manager	837,941,207	-	837,941,207
5	Le Duc Quy	Former Board Member - Vice General Manager	285,014,016	-	285,014,016
6	Nguyen Truong Anh	Member of the BOS	-	120,000,000	120,000,000
7	Nguyen Thi Thu Ha	Head of Supervisory Board	806,400,000	-	806,400,000
8	Pham Thi Que Chi	Member of the BOS	-	84,000,000	84,000,000
9	Thai Quoc Khanh	Member of the BOS	-	24,500,000	24,500,000
10	Tan Thi Mien Thao	Member of the BOS	-	59,500,000	59,500,000
11	Tran Phuoc Thuong	Vice General Manager	803,739,525	-	803,739,525
12	Pham Hong Minh	Chief Accountant	535,826,350	-	535,826,350
Total			5,146,220,298	408,000,000	5,554,220,298

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	Ho Minh Nam	Member of the BOD - General Manager	734,400,000	-	734,400,000
4	Le Duc Quy	Member of the BOD - Vice General Manager	691,200,000	-	691,200,000
5	Nguyen Truong Anh	Member of the BOD	-	100,800,000	100,800,000
6	Nguyen Thi Thu Ha	Head of Supervisory Board	648,000,000	-	648,000,000
7	Pham Thi Que Chi	Member of the BOS	453,600,000	-	453,600,000
8	Thai Quoc Khanh	Member of the BOS	-	79,200,000	79,200,000
9	Tran Phuoc Thuong	Vice General Manager	648,000,000	-	648,000,000
10	Phan Thinh	Chief Accountant	648,000,000	-	648,000,000
Total			4,600,800,000	280.800.000	4.881.600.000

1.e Other benefits of the Executive Board

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

2. Segment information

According to the provisions of Accounting Standard No. 28 issued together with Decision 12/2005/QD-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

3. Corresponding figures

Corresponding figures taken from the consolidated financial statements for the fiscal year end as of December 31, 2024 which were audited by Vietvalues.

As described in this note, pursuant to Official Letter No. 3415/UBND-STC dated 25 June 2024 issued by Da Nang City People's Committee on the adjustment of expenses relating to the use of water supply infrastructure assets funded by the State budget and handed over by the investing entities to the State for management, which have been assigned to the Company for operation from June 2015 to 31 December 2023, with a total amount of VND 66,057,265,726 (recognized in 2023 and 2024), the Company recorded an amount of VND 33,028,632,863 in cost of sales during 2024. Accordingly, the Company has retrospectively adjusted the comparative figures in accordance with the prevailing Vietnamese Accounting Standards and the Vietnamese Accounting System on the recognition of expenses in the appropriate accounting periods:

Balance Sheet items

No	Items	Code	as of 31/12/2024, before adjustments	as of 01/01/2025, after adjustments	Variance
1	Taxes and other receivables from State budget	153	9,597,227,887	10,501,149,869	903,921,982
2	Other short-term payables	319	149,124,291,276	158,163,511,093	9,039,219,817
3	Undistributed profit after tax	421	59,780,024,663	51,644,726,828	(8,135,297,835)
4	- Undistributed profit after tax brought forward	421a	-	(36,877,451,058)	(36,877,451,058)
5	- Undistributed profit after tax for the current year	421b	59,780,024,663	88,522,177,886	28,742,153,223

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Income Statement items

No	Items	Code	The year 2024 before adjustments	The year 2024 after adjustments	Variance
1	Costs of goods sold	11	447,440,832,653	415,505,106,849	(31,935,725,804)
2	Gross revenues from sales & services rendered	20	197,246,390,162	229,182,115,966	31,935,725,804
3	Net profits from operating activities	30	107,433,814,853	139,369,540,657	31,935,725,804
4	Total net profit before tax	50	112,106,770,599	144,042,496,403	31,935,725,804
5	Current corporate income tax expenses	51	11,600,977,796	14,794,550,376	3,193,572,580
6	Profits after corporate income tax	60	100,354,867,362	129,097,020,586	28,742,153,224
7	Basic earnings per share	70	1,547	1,983	435
8	Diluted earnings per share	71	1,547	1,983	435

Statement of Cash Flow items

No	Items	Code	The year 2024 before adjustments	The year 2024 after adjustments	Variance
1	Profit before tax	01	112,106,770,599	144,042,496,403	31,935,725,804
2	Operating profit before adjustments to working capital	08	230,908,581,769	262,844,307,573	31,935,725,804
3	- Increase, decrease in accounts payables (exclusive of interest payables, enterprise income tax payables)	11	(44,278,361,777)	(76,214,087,581)	(31,935,725,804)

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, 2025 is VND 683,126.543,259 and the value of construction in progress that have been mortgaged to secure the bank loans as on December 31, 2025 is VND 1,117,411,729.

5. 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.

6. 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.

Da Nang, March 11, 2026

Preparer



NGUYEN THI THANH THUY

Chief Accountant



PHAM HONG MINH

General Manager



HO MINH NAM

