

**QUANG BINH WATER
SUPPLY JOINT STOCK
COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No.: **276** /CBTT-NQB
Re: Periodic Disclosure of the
Reviewed Semi – Annual Financial
Statement for 2025

Quang Tri, August 4, 2025

**To: - State Securities Commission
- Hanoi Stock Exchange
- Esteemed Shareholders of NQB**


1. Company name: Quang Binh Water Supply Joint Stock Company
- Stock code: NQB
- Head office: 81 - Ly Thuong Kiet, Dong Hoi Ward, Quang Tri Province
- Phone: 0232.3822354;
- Email: capnuocqb@gmail.com
- Website: capnuocquangbinh.vn
- Disclosing person: Mr. Le Anh Dung - Chairman of the Board of Directors, Legal Representative of the Company.

2. Information Disclosure Content:

The reviewed semi-annual financial statements for 2025 of Quang Binh Water Supply Joint Stock Company include: Notes to the financial statements; Balance sheet; Income statement; and Cash flow statement. This information was disclosed on the website of Quang Binh Water Supply Joint Stock Company on August 4, 2025, at the following link: **capnuocquangbinh.vn**

We commit that the disclosed information is true and are responsible before the law for the accuracy of the disclosed content.

Recipient:

-As above
-Archived at the secretary to
the board of directors. 

**LEGAL REPRESENTATIVE
CHAIRMAN OF THE BOARD
OF DIRECTORS**



Lê Anh Dũng

CÔNG TY TNHH KIỂM TOÁN QUỐC TẾ International Auditing Company Limited

QUANG BINH WATER SUPPLY JOINT STOCK COMPANY

INTERIM AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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**STATEMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS
AND THE BOARD OF MANAGEMENT**

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

THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION

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

Board of Directors

Mr. Le Anh Dung	Chairman
Mr. Nguyen Van Dung	Permanent member (dismissed on April 28, 2025)
Mr. Le Minh Chuong	Member
Mr. Mai Song Hao	Member
Mr. Tran Tan Duc	Member (dismissed on April 28, 2025)
Mr. Le Van Nghia	Member (appointed on April 28, 2025)
Mr. Nguyen Ngoc Ho	Member (appointed on April 28, 2025)

Board of Management

Mr. Nguyen Van Dung	Director
Mr. Le Van Nghia	Deputy Director
Mr. Tran Van Tien	Deputy Director

Board of Supervision

Mr. Nguyen Duc Vu	Supervisor
Mr. Tran Van Ban	Member (dismissed on April 28, 2025)
Mr. Trinh Dinh Tung	Member
Mrs. Le Thi Thu Ha	Member (appointed on April 28, 2025)

Legal Representative

The legal representative of the Company from 01 January 2025 to the date of this report is Mr. Le Anh Dung - Chairman of the Board of Directors.

RESPONSIBILITY OF CHAIRMAN OF THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The Chairman of the Board of Directors and the Board of Management of the Company are responsible for preparing the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2025, as well as the results of its operations and its cash flows for the 6-month period then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant legal regulations on preparation and presentation of interim financial statements. In preparing these interim financial statements, the Chairman of the Board of Directors and the Board of Management are required to:

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

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

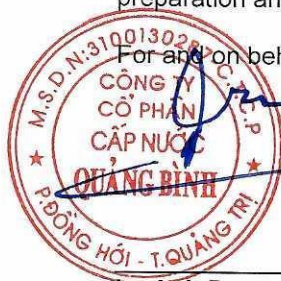
The Chairman of the Board of Directors and the Board of Management of the Company are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and that the interim financial statements comply with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to interim financial reporting. The Chairman of the Board of Directors and the Board of Management are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Board of Directors approved the accompanying interim financial statements. These statements give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2025, as well as the results of its operations and cash flows for the six-month period then ended, in accordance with Vietnamese accounting standards, accounting regimes for enterprises and legal regulations relating to the preparation and presentation of interim financial statements.

For and on behalf of the Board of Directors,



Le Anh Dung
Chairman of the Board
1 August 2025

No: 080101/2025/BCSX-iCPA

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The Board of Directors and the Board of Management
Quang Binh Water Supply Joint Stock Company

We have reviewed the accompanying interim financial statements of Quang Binh Water Supply Joint Stock Company (the "Company"), prepared on 1 August 2025, from page 5 to page 27 which comprise the interim balance sheet as at 30 June 2025, the interim statement of income, the interim statement of cash flows for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Chairman of The Board of Directors and the Board of Management's Responsibility for the interim financial statements

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim separate/consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate/consolidated financial statements consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2025, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting.



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

INTERIM BALANCE SHEET

As at 30 June 2025

Unit: VND


ASSETS	Code	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		43,342,764,242	42,261,646,335
I. Cash and cash equivalents	110	V.1	16,183,372,040	22,277,273,484
1. Cash	111		16,183,372,040	22,277,273,484
II. Short-term receivables	130		11,033,922,644	7,438,808,218
1. Short-term trade receivables	131	V.2	9,601,019,642	7,059,541,172
2. Short-term advances to suppliers	132	V.3	1,065,008,880	512,733,767
3. Other short-term receivables	136		506,554,349	7,550,000
4. Provision for short-term doubtful debts	137	V.4	(146,418,847)	(163,395,874)
5. Deficits in assets awaiting solution	139		7,758,620	22,379,153
III. Inventories	140	V.5	15,953,815,942	12,198,880,977
1. Inventories	141		17,093,371,976	13,425,612,653
2. Provision for devaluation of inventories	149		(1,139,556,034)	(1,226,731,676)
IV. Other short-term assets	150		171,653,616	346,683,656
1. Short-term prepayments	151	V.9a	171,653,616	222,819,957
2. Value added tax deductibles	152		-	73,735,419
3. Taxes and other receivables from the State budget	153	V.11a	-	50,128,280
B. NON-CURRENT ASSETS	200		206,457,282,975	212,476,450,251
I. Long-term receivables	210		37,000,000	37,000,000
1. Other long-term receivables	216		37,000,000	37,000,000
II. Fixed assets	220		192,027,188,928	193,403,313,774
1. Tangible fixed assets	221	V.6	191,885,046,380	193,229,954,854
- Cost	222		506,891,724,817	497,423,507,834
- Accumulated depreciation	223		(315,006,678,437)	(304,193,552,980)
2. Intangible assets	227	V.7	142,142,548	173,358,920
- Cost	228		719,000,000	719,000,000
- Accumulated depreciation	229		(576,857,452)	(545,641,080)
III. Long-term assets in progress	240		10,688,350,941	14,458,954,489
1. Long-term construction in progress	242	V.8	10,688,350,941	14,458,954,489
IV. Other long-term assets	260		3,704,743,106	4,577,181,988
1. Long-term prepayments	261	V.9b	3,704,743,106	4,577,181,988
TOTAL ASSETS	270		249,800,047,217	254,738,096,586

INTERIM BALANCE SHEET (CONTINUED)

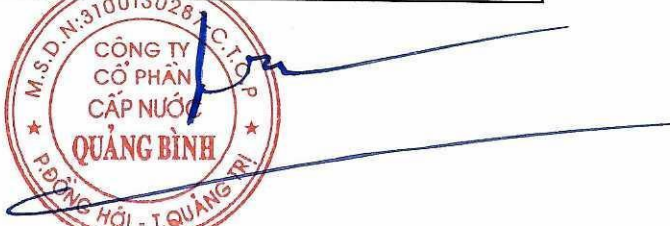
As at 30 June 2025

Unit: VND

RESOURCES	Code	Notes	Closing balance	Opening balance
C. LIABILITIES	300		61,856,200,917	60,499,868,376
I. Current liabilities	310		44,275,432,548	42,663,445,559
1. Short-term trade payables	311	V.10	11,321,690,377	9,286,388,797
2. Short-term advances from customers	312		644,527,940	546,916,817
3. Taxes and amounts payable to the State budget	313	V.11b	2,045,516,722	2,758,431,799
4. Payables to employees	314		7,068,637,458	10,716,465,896
5. Short-term accrued expenses	315	V.12	165,498,861	216,000,000
6. Other current payables	319	V.13	10,090,090,385	4,260,818,100
7. Short-term loans and obligations under finance leases	320	V.14a	7,977,305,696	13,434,851,110
8. Bonus and welfare funds	322		4,962,165,109	1,443,573,040
II. Long-term liabilities	330		17,580,768,369	17,836,422,817
1. Long-term loans and obligations under finance leases	338	V.14b	17,580,768,369	17,836,422,817
D. EQUITY	400		187,943,846,300	194,238,228,210
I. Owner's equity	410	V.15	187,943,846,300	194,238,228,210
1. Owner's contributed capital	411		172,302,040,000	172,302,040,000
- Ordinary shares carrying voting rights	411a		172,302,040,000	172,302,040,000
2. Investment and development fund	418		9,648,188,996	7,248,166,996
3. Retained earnings	421		5,993,617,304	14,688,021,214
- Retained earnings of the current period	421b		5,993,617,304	14,688,021,214
TOTAL RESOURCES	440		249,800,047,217	254,738,096,586


Pham Thi Ngoc Thuy
Preparer


Le Minh Chuong
Chief Accountant



Le Anh Dung
Chairman of the Board
1 August 2025



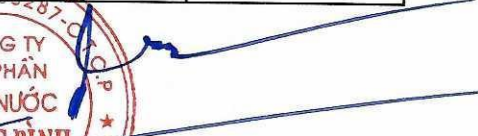
INTERIM INCOME STATEMENT
For the six-month period ended 30 June 2025

Unit: VND

ITEMS	Code	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	VI.1	65,652,314,180	65,305,677,642
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10	VI.1	65,652,314,180	65,305,677,642
4. Cost of sales	11	VI.2	51,675,696,943	47,633,885,077
5. Gross profit from goods sold and services rendered	20		13,976,617,237	17,671,792,565
6. Financial income	21		11,673,465	15,015,826
7. Financial expenses	22	VI.3	816,331,258	937,659,786
- In which: Interest expense	23		816,331,258	937,659,786
8. Selling expenses	25	VI.4	2,120,777,968	1,464,369,524
9. General and administration expenses	26	VI.4	3,506,870,437	4,635,323,286
10. Net profit from goods sold and services	30		7,544,311,039	10,649,455,795
11. Other income	31		52,954,590	51,776,000
12. Other expenses	32		28,981,710	34,376,884
13. Profit from other activities	40		23,972,880	17,399,116
14. Accounting profit before tax	50		7,568,283,919	10,666,854,911
15. Current corporate income tax expense	51	VI.5	1,574,666,615	2,174,677,663
16. Net profit after corporate income tax	60		5,993,617,304	8,492,177,248
17. Basic earnings per share	70	VI.6	212	300
18. Declining earnings per share	71	VI.6	212	300


Pham Thi Ngoc Thuy
Preparer


Le Minh Chuong
Chief Accountant



Le Anh Dung
Chairman of the Board
1 August 2025




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

Unit: VND

ITEMS	Code	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Revenue from sales, service provision, and other income	01	70,470,660,886	74,651,845,610
2. Payments to suppliers of goods and services	02	(30,670,290,010)	(23,737,656,925)
3. Payments to employees	03	(20,522,929,403)	(21,548,699,378)
4. Interest payments	04	(866,832,397)	(969,419,921)
5. Corporate income tax paid	05	(1,609,507,044)	(1,782,813,329)
6. Other revenue from business activities	06	290,525,185	209,951,400
7. Other expenses for business operations	07	(11,786,388,829)	(16,118,477,919)
Net cash flow from operating activities	20	5,305,238,388	10,704,729,538
II. Cash flow from investing activities			
1. Payments for the purchase and construction of fixed assets and other long-term assets	21	(5,697,613,435)	(5,067,584,010)
2. Receipts from interest on loans, dividends, and profit distributions	27	11,673,465	15,015,826
Net cash flow from investing activities	30	(5,685,939,970)	(5,052,568,184)
III. Cash flow from financing activities			
1. Proceeds from borrowing	33	7,406,701,400	4,193,086,021
2. Repayments of principal on loans	34	(13,119,901,262)	(7,724,616,588)
3. Dividends and profits paid to shareholders	36	-	(2,499,117,250)
Net cash flow from financing activities	40	(5,713,199,862)	(6,030,647,817)
Net cash flow for the period	50	(6,093,901,444)	(378,486,463)
Cash and cash equivalents at the beginning of the period	60	22,277,273,484	20,691,478,937
Cash and cash equivalents at the end of the period	70	16,183,372,040	20,312,992,474


Pham Thi Ngoc Thuy
Preparer


Le Minh Chuong
Chief Accountant


Le Anh Dung
Chairman of the Board
1 August 2025



NOTES TO THE SEPARATE FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying separate financial statement***I. GENERAL INFORMATION****1. Structure of ownership**

Quang Binh Water Supply Joint Stock Company was established under the Enterprise Registration Certificate No. 3100130287, converted from Quang Binh Water Supply One Member Limited Liability Company, which was first issued by the Department of Planning and Investment of Quang Binh Province (now the Department of Planning and Investment of Quang Tri Province) on 1 October 1992, and amended thereafter.

The company's charter capital is VND 172,302,040,000 (One hundred seventy-two billion, three hundred two million, forty thousand Vietnamese Dong).

2. Business field

The company's business sector is the production and supply of clean water

3. Operating industry and principal activities

The main activities of the Company are the production and supply of clean water, as well as the construction and installation of water supply pipelines in Quang Tri Province.

4. Normal production and business cycle

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

5. Corporate structure

The company is located at: No. 81 Ly Thuong Kiet Street, Dong Hoi Ward, Quang Tri Province.

As of June 30, 2025, the company has the following subsidiaries:

No	Name	Address	Brand
1	Office of Quang Binh Water Supply JSC	No. 81 Ly Thuong Kiet, Dong Hoi Ward, Quang Tri Province	Clean Water Supply
2	Dong Hoi Water Supply Branch	Lane 55 Le Thanh Dong, Dong Hoi Ward, Quang Tri Province	Clean Water Supply
3	Ba Don Water Supply Branch	Quarry 1, Ba Don Ward, Quang Tri Province	Clean Water Supply
4	Hoan Lao Water Supply Station	TK2, Hoan Lao Commune, Quang Tri Province	Clean Water Supply
5	Kien Giang Water Supply Station	Lien Thuy Commune, Quang Tri Province	Clean Water Supply
6	Quy Dat Water Supply Station	Minh Hoa Commune, Quang Tri Province	Clean Water Supply
7	Dong Le Water Supply Station	TK2, Dong Le Commune, Quang Tri Province	Clean Water Supply
8	Viet Trung TTNT Water Supply Station	TK3, Nam Trach Commune, Quang Tri Province	Clean Water Supply
9	Quan Hau Water Supply Station	TK4, Quang Ninh Commune, Quang Tri Province	Clean Water Supply
10	Phong Nha Water Supply Station	Bo Trach Commune, Quang Tri Province	Clean Water Supply
11	Rao Da Water Supply Station	Truong Ninh Commune, Quang Tri Province	Clean Water Supply

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

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

Comparative figures presented in the interim balance sheet and corresponding notes are those of the financial statements for the fiscal year ended 31 December 2024, which have been audited.

Comparative figures presented in the interim income statement, interim cash flow statement, and the corresponding notes are those of the interim financial statements for the six-month period ended 30 June 2024, which have been reviewed.

7. Employees

The number of employees as at 30 June 2025 was 223 (at 31 December 2024 was 223).

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

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

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

Accounting period

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

These interim financial statements have been prepared for the operating period from 1 January 2025 to 30 June 2025.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

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

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

Receivables

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

Provision for doubtful receivables is made for each receivable based on the overdue period of principal repayment in accordance with the original debt agreement (excluding any extensions agreed upon between parties) or based on the estimated potential loss as assessed by the Company. The difference between the provision to be made at the end of the current fiscal year and the provision already recorded at the end of the prior fiscal year is recognized as an increase or decrease in general and administrative expenses during the fiscal year. Receivables determined to be uncollectible are written off.

Inventories

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

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a fixed asset acquired through purchase includes the purchase price and all other costs directly related to bringing the asset into a state of readiness for use. For fixed assets acquired through capital construction investment under the method of contracting or self-construction and production, the cost is the final settlement price of the construction project according to current investment and construction management regulations, other directly related costs and registration fees (if any). In case the project has been completed and put into use but the final settlement has not been approved, the cost of the fixed asset is recorded at the provisional price based on the actual costs incurred to acquire the fixed asset. The provisional price will be adjusted according to the settlement price approved by competent authorities.

Tangible fixed assets are depreciated using the straight-line method based on the estimated useful life, specifically as follows:

	Years
Buildings and structures	05 - 50
Machinery, equipment	06 - 20
Vehicles, transportation equipment	05 - 30
Pipeline transport equipment	15 - 30
Office equipment and furniture	05 - 08

Tangible fixed assets are revalued when there is a decision of the State or when a State-owned enterprise is equitized. The original price and accumulated depreciation are adjusted according to the revaluation results approved by competent authorities as prescribed.

The profits and losses arising from the liquidation and sale of assets are the difference between the income from liquidation and the remaining value of the assets and are recorded in the Business Performance Report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Intangible assets and amortisation**

The Company's intangible fixed assets are accounting software.

Intangible fixed assets are recorded at original cost, reflected in the Balance Sheet according to the indicators of original cost, accumulated depreciation and residual value. Costs related to computer software programs that are not part of the related hardware are capitalized.

The original cost of computer software is all costs that the Company has spent up to the time the software is put into use. Computer software is amortized on a straight-line basis from 05 to 08 years

Construction in progress

Assets under construction for production, rental, management or other purposes are recorded at historical cost. These costs include costs necessary to form the asset, including construction, equipment, other costs and related interest costs in accordance with the Company's accounting policy. These costs will be transferred to the original cost of fixed assets at the provisional price (if there is no approved final settlement) when the assets are handed over for use.

According to the State's regulations on investment and construction management, depending on the management level, the settlement value of completed basic construction works must be approved by competent authorities. Therefore, the final value of basic construction works may change and depends on the settlement approved by competent authorities.

Prepayments

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

Revenue recognition

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

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

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

- (a) The amount of revenue can be measured reliably; When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods;

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Revenue recognition (continued)**

- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is recognized on an accrual basis, determined on the balance of the deposit account and the interest rate applied.

Interest from investments is recognized when the Company has the right to receive the profit.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

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

Tax

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

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

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

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

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

Basic/diluted earnings per share

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

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

Related parties

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

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

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

	Closing balance VND	Opening balance VND
Cash	591,452,693	66,766,487
Cash in bank	15,591,919,347	22,210,506,997
Total	16,183,372,040	22,277,273,484

2. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Receivables for customer's water bill	9,457,643,562	6,803,887,092
Receivables for installation and relocation of water	143,376,080	255,654,080
- Dong Hoi City Land Fund Development and Investment Project Management Board	29,877,000	1,186,000
- Customer revenue for installation, removal of water supply lines	113,499,080	254,468,080
Total	9,601,019,642	7,059,541,172

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	Closing balance	Opening balance
	VND	VND
Nhat Minh General Service Trading Co., Ltd	298,133,000	230,074,634
AVP Construction & Investment Consulting Co., Ltd	175,000,000	-
Sea Tours Travel and Events JSC	140,875,000	-
Water Resources Consulting Co., Ltd.	117,326,880	60,701,383
Others	333,674,000	221,957,750
Total	1,065,008,880	512,733,767

4. BAD DEBT

	Closing balance			Opening balance		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
	VND	VND	VND	VND	VND	VND
Ngoc Ha Building Materials JSC	36,758,565	-	(36,758,565)	36,758,565	-	(36,758,565)
Quang Binh Building Materials JSC	14,861,748	-	(14,861,748)	14,861,748	-	(14,861,748)
Lung Lo Construction Corporation	10,255,667	-	(10,255,667)	10,255,667	-	(10,255,667)
Others	84,542,867	-	(84,542,867)	101,519,894	-	(101,519,894)
Total	146,418,847	-	(146,418,847)	163,395,874	-	(163,395,874)

5. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Materials	16,628,766,289	(1,139,556,034)	12,605,089,527	(1,226,731,676)
Instruments and tools	246,325,729	-	269,316,308	-
Work-in-Progress	218,279,958	-	551,206,818	-
Total	17,093,371,976	(1,139,556,034)	13,425,612,653	(1,226,731,676)

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	Buildings, Structures	Machinery, Equipment	Motor, Vehicles	Office Equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	130,066,035,761	51,164,125,665	315,957,819,136	235,527,272	497,423,507,834
Additions	-	718,412,000	-	-	718,412,000
Transfer from construction in progress	773,968,120	-	7,975,836,863	-	8,749,804,983
Closing balance	130,840,003,881	51,882,537,665	323,933,655,999	235,527,272	506,891,724,817
ACCUMULATED DEPRECIATION					
Opening balance	84,150,726,872	27,692,664,819	192,240,234,001	109,927,288	304,193,552,980
Charge for the period	2,834,366,961	1,403,818,851	6,560,988,517	13,951,128	10,813,125,457
Closing balance	86,985,093,833	29,096,483,670	198,801,222,518	123,878,416	315,006,678,437
NET BOOK VALUE					
Opening balance	45,915,308,889	23,471,460,846	123,717,585,135	125,599,984	193,229,954,854
Closing balance	43,854,910,048	22,786,053,995	125,132,433,481	111,648,856	191,885,046,380

The original cost of fully depreciated tangible fixed assets still in use as of 30 June 2025 is VND 120,714,543,596 (as of 31 December 2024 is VND 120,618,712,526).

The remaining value of tangible fixed assets used as collateral for loans as of 30 June 2025 is VND 37,769,549,643 (as of 31 December 2024 is VND 38,884,957,563) (Details in note V.14 - Borrowings and financial leasing liabilities).

The original cost of tangible fixed assets under the category of transportation and transmission increased during the period due to the temporary capitalization of the projects 'Water Distribution Network System (MC3) HTCN in Ba Don town, Hoan Lao town, Phong Nha, and Quy Dat in 2023' and 'Raw Water Pipeline of Quy Dat Water Treatment Plant.' These amounts, respectively recorded at VND 7,231,465,345 and VND 744,371,518, are based on actual incurred costs and acceptance and handover documentation for operational deployment, serving as the basis for depreciation once the projects are brought into use. The historical cost of these projects will be adjusted upon approval of the final settlement by the competent authority to reflect any arising differences (if any).

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	Computer Software	Total
	VND	VND
COST		
Opening balance	719,000,000	719,000,000
Closing balance	719,000,000	719,000,000
ACCUMULATED DEPRECIATION		
Opening balance	545,641,080	545,641,080
Charge for the period	31,216,372	31,216,372
Closing balance	576,857,452	576,857,452
NET BOOK VALUE		
Opening balance	173,358,920	173,358,920
Closing balance	142,142,548	142,142,548

The cost of fully-depreciated assets that were used as at 30 June 2025 was VND 337,000,000 (as at 31 December 2024 was VND 284,000,000).

8. LONG-TERM CONSTRUCTION IN PROGRESS

	Closing balance	Prior period
	VND	VND
Tertiary-level technical infrastructure network in Ba Don Town, Hoan Lao, Phong Nha, and Quy Dat 2023	244,595,430	6,767,507,541
Primary HDPE 400 pipeline system in Dong Hoi City	6,276,581,338	4,032,857,716
Tertiary-level technical infrastructure network in Dong Hoi City, Ba Don Town, and Dong Le Township	160,730,066	166,665,066
Layer 2 network in 2023	209,365,305	152,043,305
Other constructions	3,797,078,802	3,339,880,861
Total	10,688,350,941	14,458,954,489

9. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Short-term		
Tools and equipment	1,017,500	7,122,500
Other short-term prepayments	170,636,116	215,697,457
Total	171,653,616	222,819,957
b. Long-term		
Tools and equipment	758,471,100	1,016,379,720
Other long-term prepayments	2,946,272,006	3,560,802,268
Total	3,704,743,106	4,577,181,988

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

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

10. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Biwase Quang Binh Joint Stock Company	2,120,751,150	2,120,751,150	2,535,619,680	2,535,619,680
My Phat Producing and Trading Limited Company	2,107,984,128	2,107,984,128	896,413,928	896,413,928
DNP Holding Joint Stock Company	1,876,318,560	1,876,318,560	546,635,120	546,635,120
Quang Binh Irrigation Works Exploitation Co., Ltd	1,789,924,500	1,789,924,500	572,400,000	572,400,000
VBS Measurement Engineering Joint Stock Company	1,271,346,100	1,271,346,100	997,036,530	997,036,530
Other payables	2,155,365,939	2,155,365,939	3,738,283,539	3,738,283,539
Total	11,321,690,377	11,321,690,377	9,286,388,797	9,286,388,797

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

	Closing balance	Payable during the year	Paid during the year	Opening balance
	VND	VND	VND	VND
a. Receivables				
Natural resource consumption tax	-	50,128,280	-	50,128,280
Total	-	50,128,280	-	50,128,280
b. Payables				
Value-added tax (VAT)	168,851,983	1,146,415,700	977,563,717	-
Corporate income tax	1,001,053,126	1,574,666,615	1,609,507,044	1,035,893,555
Personal income tax	85,485,000	167,120,585	279,194,075	197,558,490
Natural resource consumption tax	26,381,160	79,081,320	52,700,160	-
Land tax and land rent	-	247,595,409	247,595,409	-
Other taxes	-	14,000,000	14,000,000	-
Environmental protection tax	763,745,453	3,885,610,304	4,646,844,605	1,524,979,754
Total	2,045,516,722	7,114,489,933	7,827,405,010	2,758,431,799

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)****12. SHORT-TERM ACCRUED EXPENSES**

	Closing balance	Opening balance
	VND	VND
Accrued interest expense	165,498,861	216,000,000
Total	165,498,861	216,000,000

13. OTHER CURRENT LIABILITIES

	Closing balance	Opening balance
	VND	VND
Excess assets awaiting resolution	-	18,863,681
Trade union fund	102,477,061	1,653,531
Short-term deposits and margin deposits	1,605,500,000	1,579,500,000
Other payables and accruals	8,382,113,324	2,660,800,888
<i>Including:</i>		
+ Dividends payable	6,547,477,520	-
+ Quang Binh Forest Protection and Development Fund	178,601,748	153,081,032
+ Dong Hoi City Land Fund Development and Investment Project Management Board	953,401,000	1,092,668,000
+ Waste water fee	340,191,113	862,346,113
+ Other payables	362,441,943	552,705,743
Total	10,090,090,385	4,260,818,100

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)
14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Closing balance		In period		Opening balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
a. Short-term loan	-	-	3,673,703,000	9,131,248,414	5,457,545,414	5,457,545,414
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quang Binh Branch	-	-	3,673,703,000	9,131,248,414	5,457,545,414	5,457,545,414
Total short-term loan	-	-	3,673,703,000	9,131,248,414	5,457,545,414	5,457,545,414
Long-term loans due to date	7,977,305,696	7,977,305,696			7,977,305,696	7,977,305,696
Total	7,977,305,696	7,977,305,696			13,434,851,110	13,434,851,110
b. Long-term loan	25,558,074,065	25,558,074,065	3,732,998,400	3,988,652,848	25,813,728,513	25,813,728,513
Vietnam Development Bank – Quang Binh Branch (i)	7,813,532,305	7,813,532,305	-	2,658,652,848	10,472,185,153	10,472,185,153
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quang Binh Branch (ii)	17,744,541,760	17,744,541,760	3,732,998,400	1,330,000,000	15,341,543,360	15,341,543,360
Total	25,558,074,065	25,558,074,065	3,732,998,400	3,988,652,848	25,813,728,513	25,813,728,513
Current portion of long-term debt	(7,977,305,696)	(7,977,305,696)			(7,977,305,696)	(7,977,305,696)
Vietnam Development Bank – Quang Binh Branch	(5,317,305,696)	(5,317,305,696)			(5,317,305,696)	(5,317,305,696)
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quang Binh Branch	(2,660,000,000)	(2,660,000,000)			(2,660,000,000)	(2,660,000,000)
Total	17,580,768,369	17,580,768,369			17,836,422,817	17,836,422,817

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)**14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)**

- (i) Loan from the Vietnam Development Bank sourced from ODA funds to implement the project "Rehabilitation and Upgrading of Water Supply and Sanitation Systems in Cities and Towns", re-contracted between the Ministry of Finance and the Company under a Subsidiary Loan Agreement dated August 28, 1997, and the Amended Annex to the Subsidiary Loan Agreement dated April 28, 2008. The original loan principal was VND 69,904,158,089, with a loan term of 25 years, including a grace period of 5 years, and an annual interest rate of 5%.
- (ii) Including the following loan agreement:
- The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the investment project loan agreement No. 877/2019/VCB.KHDN dated October 31, 2019. The loan term is 7 years from the day following the first disbursement date. The loan is used to pay for reasonable, valid, and legal expenses related to project investment implementation. The loan interest rate is based on the 12-month personal savings deposit ceiling rate in VND plus a margin (spread), determined at the time of signing the credit agreement and adjusted upon notification from the bank when there are changes. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.
 - The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 856/2020/VCB.KHDN dated August 24, 2020. The maximum loan amount is VND 16 billion, but it shall not exceed 77.5% of the total investment cost for the investment plan to acquire the Rao Da Water Plant System. The loan term is 120 months from the first disbursement date. The loan is used to finance reasonable and legitimate credit needs related to the investment plan for acquiring the Rao Da Water Plant System, which has been approved by the competent authority. This is in accordance with the asset purchase contract No. 21/HĐMD dated May 4, 2020, signed between the Project Management Unit for Construction Investment and Land Development of Quang Ninh District and Quang Binh Water Supply Joint Stock Company. The loan interest rate is adjustable, consisting of: Base interest rate + 2% per year for the first two years, Base interest rate + 2.5% per year from the third year onward. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.
 - The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 11/2024/VCB.KHDN.TDH, dated August 26, 2024. The maximum loan amount is VND 1.255 billion, with a loan term of 60 months from the first disbursement date. The loan is used to purchase a Hino truck crane for fixed asset investment. The interest rate is structured as follows: Fixed at 6.5% per year for the first year from the initial disbursement date, For the remaining loan term, the interest rate is the base rate + a margin of 2.8% per year. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.
 - The loan at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Binh Branch is under the medium- and long-term installment loan agreement No. 12/2024/VCB.KHDN.TDH, dated November 20, 2024. The maximum loan amount is VND 9 billion, with a loan term of 84 months from the first disbursement date. The loan is used to invest in the transmission pipeline from Phu Vinh Water Plant to Dong Hoi Bypass Road. The interest rate is structured as follows: Fixed at 6.6% per year for the first year from the initial disbursement date, For the remaining loan term, the interest rate is the base rate + a margin of 2.9% per year. The company uses its fixed assets as collateral under the mortgage contracts No. 805/2019/VCB.KHDN, 806/2019/VCB.KHDN, 807/2019/VCB.KHDN dated May 22, 2019, No. 688.01/2019/VCBQB.KHDN dated July 24, 2020, and No. 886/2021/VCB.KHDN dated December 17, 2021, to secure these loans.

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)**14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)**

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

	Closing balance	Opening balance
	VND	VND
Within one year	7,977,305,696	7,977,305,696
From two to five years	17,580,768,369	17,836,422,817
Over five years	-	-
Total	25,558,074,065	25,813,728,513
Less: Amount due within 12 months	7,977,305,696	7,977,305,696
Amount due after 12 months	17,580,768,369	17,836,422,817

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	Owner's contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior year's opening balance as reported	172,302,040,000	5,148,166,996	13,250,952,116	190,701,159,112
Profit increased during the period	-	-	14,688,021,214	14,688,021,214
Dividend distribution	-	-	(6,030,571,400)	(6,030,571,400)
Appropriation to development investment fund	-	2,100,000,000	(2,100,000,000)	-
Appropriation to bonus and welfare fund	-	-	(4,817,080,716)	(4,817,080,716)
Executive bonus allocation	-	-	(303,300,000)	(303,300,000)
Current year's opening balance	172,302,040,000	7,248,166,996	14,688,021,214	194,238,228,210
Profit increased during the period	-	-	5,993,617,304	5,993,617,304
Dividend distribution (*)	-	-	(6,547,477,520)	(6,547,477,520)
Appropriation to development investment fund (*)	-	2,400,022,000	(2,400,022,000)	-
Appropriation to bonus and welfare fund (*)	-	-	(5,458,511,694)	(5,458,511,694)
Executive bonus allocation (*)	-	-	(282,010,000)	(282,010,000)
Current year's closing balance	172,302,040,000	9,648,188,996	5,993,617,304	187,943,846,300

(*) According to Resolution No. 01/2025/NQ-ĐHĐCĐ dated April 28, 2025 of the Annual General Meeting of Shareholders for 2025 regarding the distribution of 2024 after-tax profit, the details are as follows:

- Appropriation to the Development Investment Fund: VND 2,400,022,000;
- Appropriation to the Bonus and Welfare Fund; rewards for the Company's management and executive teams: VND 4,358,379,694; VND 1,100,132,000; and VND 282,010,000, respectively;
- Dividend distribution: VND 6,547,477,520. The General Meeting of Shareholders authorized the Board of Directors to determine the timing of dividend payment. The record date for determining eligible shareholders for the 2024 dividend was July 18, 2025, and the payment date was July 31, 2025.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM BALANCE SHEET (CONTINUED)****15. OWNER'S EQUITY (CONTINUED)****b. Details of owner's capital contribution**

	Closing balance		Opening balance	
	Ownership ratio %	Amount VND	Ownership ratio %	Amount VND
People's Committee of Quang Tri Province	52.16%	89,865,040,000	52.16%	89,865,040,000
Binh Duong Water - Environment Corporation - Other shareholders' equity	41.00%	70,650,000,000	41.00%	70,650,000,000
Cộng	6.84%	11,787,000,000	6.84%	11,787,000,000
	100%	172,302,040,000	100%	172,302,040,000

c. Shares

	Closing balance	Opening balance
	Shares	Shares
Authorized shares	17,230,204	17,230,204
Quantity of fully paid issued shares	17,230,204	17,230,204
+ Common shares	17,230,204	17,230,204
Quantity of treasury shares	-	-
+ Common shares	-	-
Quantity of outstanding shares	17,230,204	17,230,204
+ Common shares	17,230,204	17,230,204
Par value of shares: VND 10,000 per share		

16. DEPARTMENT REPORT

According to the provisions of Vietnamese Accounting Standard No. 28 and its guiding circular, the Company is required to prepare segment reporting. A segment is a separately identifiable component of the Company that engages in providing related products or services (business segment), or provides products or services within a specific economic environment (geographical segment), each of which is subject to risks and earns economic benefits that differ from those of other segments.

The Board of Management has assessed that the Company operates primarily in a single business segment, which is the production and sale of domestic water (as detailed in Note VI.1, revenue from water supply accounts for 89.9% of total revenue), and the principal geographical segment is within Quang Tri Province. Therefore, the Company does not prepare segment reporting in accordance with this standard.

17. OFF-BALANCE SHEET ITEMS**Leased assets**

The company is currently managing and utilizing 21 land plots across Quang Tri Province, with a total area of 72,195.9 square meters. The primary purpose of use includes office headquarters, water treatment plants, branch offices, warehouses, pumping stations, filtration tanks, and storage reservoirs. The land is leased under an annual rental payment scheme.

Bad debt resolved

	Closing balance	Opening balance
	VND	VND
Agricultural & Seafood EPE	25,043,117	25,043,117
Total	25,043,117	25,043,117

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

	Current period VND	Prior period VND
Revenue from water production and supply	59,041,569,951	59,043,349,966
Revenue from branch pipe installation	6,168,995,258	4,507,620,341
Other revenue	441,748,971	1,754,707,335
Total	65,652,314,180	65,305,677,642

2. COST OF SALES

	Current period VND	Prior period VND
Cost of water production and supply	47,431,937,145	44,194,171,168
Cost of branch pipe installation	4,252,988,610	3,413,460,977
Provision (Reversal) for inventory write-down	(46,823,729)	(76,210,936)
Cost of other activities	37,594,917	102,463,868
Total	51,675,696,943	47,633,885,077

3. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Interest on deposits and loans	816,331,258	937,659,786
Total	816,331,258	937,659,786

4. SELLING AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
Administrative expenses		
Management salary expenses	1,150,415,800	2,148,327,915
Management materials expenses	27,934,652	333,751,573
Depreciation expense of fixed assets	381,289,690	436,834,677
Taxes	390,805,009	422,241,116
Outsourced service expenses	140,000,000	130,000,000
Other expenses	1,433,402,313	1,164,168,005
Provision (Reversal) for doubtful debts	(16,977,027)	-
Total	3,506,870,437	4,635,323,286
Selling expenses		
Material expenses	2,120,777,968	1,464,369,524
Total	2,120,777,968	1,464,369,524

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM INCOME STATEMENT (CONTINUED)****5. CURRENT CORPORATE INCOME TAX EXPENSES**

	Current period VND	Prior period VND
Current corporate income tax expense		
Total profit before tax	7,568,283,919	10,666,854,911
Adjustments for increases	61,981,710	58,976,884
<i>Non-deductible expenses</i>	61,981,710	58,976,884
Taxable income	7,630,265,629	10,725,831,795
Current corporate income tax rate	20%	20%
Corporate income tax expense based on income	1,526,053,126	2,145,166,359
Corporate income tax for prior years	48,613,489	29,511,304
Current corporate income tax expense	1,574,666,615	2,174,677,663

6. BASIC/DILUTED EARNINGS PER SHARE

	Current period VND	Prior period (Re-present) VND
Profit/loss for basic earnings per share calculation	5,993,617,304	8,492,177,248
Provision for estimated bonus and welfare fund (*)	(2,342,486,415)	(3,318,999,000)
Profit for basic earnings per share calculation	3,651,130,889	5,173,178,248
Weighted average number of common shares for basic earnings per share calculation	17,230,204	17,230,204
Basic earnings per share	212	300

- (*) The Bonus and Welfare Fund estimated for the six-month period ended 30 June 2025 is calculated by applying the appropriation rate of the Bonus and Welfare Fund to the after-tax profit of 2024 to the undistributed after-tax profit for the six-month period ended 30 June 2025.

The Company made an adjustment to the basic earnings per share indicator for the six-month accounting period ended 30 June 2024, due to the impact of the appropriation to the bonus and welfare fund as resolved by the Annual General Meeting of Shareholders in 2025 regarding the distribution of after-tax profit for the year 2024, as follows:

	Reported figure VND	Adjustment VND	Restarted figure VND
Accounting profit after tax	8,492,177,248	-	8,492,177,248
Minus: Provision for estimated bonus and welfare fund	(3,281,513,678)	(37,485,322)	(3,318,999,000)
Profit for basic earnings per share calculation	5,210,663,570	(37,485,322)	5,173,178,248
Weighted average number of common shares for basic earnings per share calculation	17,230,204	-	17,230,204
Basic earnings per share	302	(2)	300

The Company does not have any potential ordinary shares that would dilute earnings per share during the accounting period or as of the date of this financial statement. Therefore, diluted earnings per share are equal to basic earnings per share.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statement***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE INTERIM INCOME STATEMENT (CONTINUED)****7. Production and business costs by factor**

	Current period VND	Prior period VND
Raw materials and supplies cost	14,329,466,775	13,392,445,399
Labor cost	21,144,465,926	21,817,425,936
Depreciation of fixed assets	10,813,125,457	10,201,811,811
Outsourced service expenses and other cash expense:	10,683,360,330	8,242,517,972
Total	56,970,418,488	53,654,201,118

VII. OTHER INFORMATION**1. RELATED PARTY TRANSACTIONS AND BALANCES**

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

Name	Title	Current period VND	Prior period VND
Mr. Le Anh Dung	Chairman	313,351,640	205,185,000
Mr. Nguyen Van Dung	Director	296,194,725	204,034,000
Mr. Le Van Nghia	Deputy Director & Member of BODs	245,018,650	159,502,000
Mr. Tran Van Tien	Deputy Director	242,728,010	165,634,000
Mr. Le Minh Chuong	Member of the Board of Directors	248,462,410	167,154,000
Mr. Mai Song Hao	Member of the Board of Directors	12,000,000	8,800,000
Mr. Tran Tan Duc	Member of the Board of Directors	8,000,000	8,800,000
Mr. Nguyen Ngoc Ho	Member of the Board of Directors	4,000,000	-
Mr. Nguyen Duc Vu	Supervisor	179,046,625	116,275,000
Mr. Tran Van Ban	Member of the Board of Supervision	173,606,000	91,306,000
Mr. Trinh Dinh Tung	Member of the Board of Supervision	9,000,000	7,000,000
Mrs. Le Thi Thu Ha	Member of the Board of Supervision	121,274,000	-
Cộng		1,852,682,060	1,133,690,000

2. EVENTS AFTER THE ACCOUNTING PERIOD END DATE

No material events occurred after the end of the accounting period and up to the date of this report that require adjustment or disclosure in the interim financial statements.



Pham Thi Ngoc Thuy
Preparer



Le Minh Chuong
Chief Accountant



Le Anh Dung
Chairman of the Board
1 August 2025

**QUANG BINH WATER SUPPLY
JOINT STOCK COMPANY**

No.: 277 /CV-NQB

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Quang Tri, August 4, 2025

Re: Explanation of the difference in profit after tax
for the 6-month accounting period ended June 30,
2025, compared to the same period in 2024

To: - State Securities Commission
- Hanoi Stock Exchange

Based on Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance on guidance for information disclosure in the securities market.

Based on the financial statements audited by the International Auditing Company Limited for the 6-month accounting period ended June 30, 2025, of Quang Binh Water Supply Joint Stock Company, submitted to the State Securities Commission and the Hanoi Stock Exchange.

Quang Binh Water Supply Joint Stock Company explains the difference in after-tax profit in the financial statements for the 6-month accounting period ending June 30, 2025, compared to the same period in 2024 as follows:

- Revenue from tap water supply did not increase due to the impact of weather, other revenues decreased due to the liquidation of labor contracts operating with Biwase Quang Binh Joint Stock Company.

- Cost of capital increased by 8,48% over the same period in 2024, equivalent to an increase of VND 4.041 billion; The reason for the increase was that Biwase Quang Binh Joint Stock Company reduced the rate of support for the loss of water purchased through the total meter from 15% to 9%; In the quarter, many pipelines broke down, so the cost of remediation, flushing, electricity, and disinfectant chemicals in tap water production increased.

- Selling costs have increased due to the increase in the number of customers installing new meters in rural areas, causing the cost of installing new meters and connection points to increase while the revenue from using tap water has not increased accordingly.

Other indicators fluctuated according to the company's actual production and business operations but were not significant.

The aforementioned reason primarily accounts for the decrease in profit after corporate income tax reported in the financial statements for the six-month period ended June 30, 2025, compared to the same period in 2024 of Quang Binh Water Supply Joint Stock Company.

Recipients:

- As above,
- Archived at the secretary
to the board of directors.



DIRECTOR

Nguyễn Văn Dũng