

# 2025 ANNUAL REPORT

*Lawaco*

*Water Quality for Better Living*



**LAM DONG WATER SUPPLY AND SEWERAGE  
JOINT STOCK COMPANY**

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2025 ANNUAL REPORT

## ABBREVIATIONS

BOD	Board of Directors	PPC	People's Committee
BOM	Board of Management	LLC	Limited Liability Company
BOS	Board of Supervisors	WP	Water Plant
BO	Business Operations	NRE	Natural Resources and Environment
BPT	Profit Before Tax	OHS - OD	Occupational Health and Safety - Occupational Disease
PAT	Profit After Tax	CC	Charter capital
AGM	General Meeting of Shareholders	CS	Customer Service
WM	Water Meter		

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# 01

## **GENERAL INFORMATION**

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- 2. History and Development**
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## GENERAL INFORMATION

**Trading name** LAM DONG WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

**English name** LAM DONG WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

**Appreviation name** LAWACO

**Stock symbol** LDW

**Business registration certificate number** 5800000174 issued by the Department of Planning and Investment of Lam Dong province on November 11, 2005, and the 12th change in business registration on July 15, 2025

**Address** 50 Hung Vuong Street, Lam Vien - Da Lat Ward, Lam Dong Province, Vietnam

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### Charter capital

**788,000,000,000**

VND



# HISTORY AND DEVELOPMENT

**1918 - 1938:** The French government built Waterworks No. 1 (Ho Than Tho Waterworks). Ho Than Tho Waterworks was repaired for the first time in 1927 and upgraded in 1938 with a capacity of 2,700 m3/day.

**1949:** Construction of Water Treatment Plant No. 2 (Ho Xuan Huong Plant). Capacity: 2,700 m3/day.

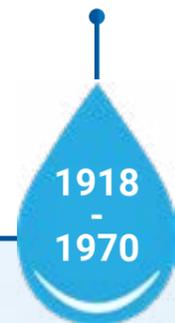
**1970:** Water production in Da Lat City was under the name Da Lat Water Management Company. Average water production was 5,400 m3/day.

**1978:** Construction of the Ho Chien Thang pumping station to supplement the water supply for the Ho Xuan Huong water treatment plant.

**1979:** Water Supply and Sewerage Construction Company No. 2 handed over management to the Provincial Public Works Management Company Water Supply and Sewerage Construction Company No. 2 handed over management to the Provincial Public Works Management Company.

**1991:** the People's Committee of Lam Dong province signed Decision No. 131/QD-UB establishing the Lam Dong Water Supply and Sewerage Company. The company took over other units in the province, namely the Bao Loc Water Plant, the Di Linh Water Plant, and the Duc Trong Water Plant.

**1998:** With funding from the Danish government, Da Lat City implemented a water supply system renovation project: replacing all clean water pumps at the secondary pumping station of the Dan Kia Suoi Vang water treatment plant, upgrading the Ho Xuan Huong water plant to a capacity of 6,000 m3/day, and replacing and expanding the transmission network to the reservoirs.



**1971:** The name was changed to Da Lat Water Supply Department, later changed back to Da Lat Water Supply Center. The Bao Loc Water Supply Center and the Di Linh Water Supply Center were established.

**1975:** The Da Lat Water Supply Center was taken over and operated by the Military Administration of Da Lat City.

**1976:** The Water Supply Centers were renamed the Da Lat Water Plant, the Bao Loc Water Plant, and the Di Linh Water Plant, under the management of Water Supply and Sewerage Construction Company No. 2

**1982:** The factory was under the ownership of Lam Dong Construction Company.

**1984:** The People's Committee of Lam Dong province signed Decision No. 313/QD/UB establishing and defining the functions and duties of the Da Lat Water Supply Plant and officially appointing the plant's Board of Directors. The People's Committee of the province assigned the Da Lat Water Supply Plant to manage and operate the Dan Kia Suoi Vang Water Treatment Plant.

**1985:** The Dan Kia Suoi Vang water plant officially began operation, supplying water to 4,000 customer households with a capacity of 8,000 m3/day.

**2000:** Construction of the Lam Ha Water Plant was completed, with a capacity of 1,400 m3/day

**2002 - 2004:** In 2002, the company built the Golden Valley Ecological Garden, which began operations in 2004.

**2005:** The People's Committee of Lam Dong province signed Decision No. 2873/QD-UBND on the conversion of the state-owned enterprise Lam Dong Water Supply and Sewerage Company into Lam Dong Water Supply and Sewerage Company Limited.

# HISTORY AND DEVELOPMENT

**2008:** The Di Linh Water Plant was equitized into Di Linh Water Supply and Construction Joint Stock Company and became a subsidiary of Lam Dong Water Supply and Sewerage Company Limited; the Bao Loc Water Plant was equitized into Bao Loc Water Supply and Construction Joint Stock Company and became a subsidiary of Lam Dong Water Supply and Sewerage Company Limited; the Da Lat Water Plant was established, operating and developing its customer base in Da Lat City and Lac Duong District.

**2009:** The Da Lat Water Plant was split into two units: the Da Lat Water Plant (water production) and the Business Department (later renamed Da Lat Water Supply Enterprise) - which sells tap water, manages and develops customers in Da Lat City and Lac Duong District.

**2011:** Golden Valley Ecological Park was transformed into Golden Valley Da Lat Tourism Services Joint Stock Company and became an affiliated company of Lam Dong Water Supply and Sewerage Company Limited.

**2012:** Establishment of the Dankia Reservoir Management Team; Establishment of the Da Huoai Water Plant, responsible for managing and operating the domestic water supply system of Da M'ri town; Establishment of the Dam Rong Water Plant, responsible for managing and operating the domestic water supply system of Bang Lang town; Transfer of the Nam Ban Water Treatment Plant to the Lam Ha Water Plant for management and operation.

**2017:** The People's Committee of Lam Dong province signed Decision No. 774/QĐ-UBND to implement the equitization of Lam Dong Water Supply and Sewerage Company Limited.

**2018:** Officially became Lam Dong Water Supply and Sewerage Joint Stock Company with a charter capital of 788 billion VND.

**2019:** The People's Committee of Lam Dong province transferred the right to represent the State's ownership in Lam Dong Water Supply and Sewerage Joint Stock Company to the State Capital Investment and Business Corporation.



**2010:** The Consulting and Design Enterprise was equitized into the Water Supply and Sewerage Consulting and Design Joint Stock Company and became an affiliated company of Lam Dong Water Supply and Sewerage Company Limited; Duc Trong Water Plant was equitized into Duc Trong Water Supply and Sewerage and Construction Company and became an affiliated company of Lam Dong Water Supply and Sewerage Company Limited

**2015:** Ho Xuan Huong Water Treatment Plant ceased operations because it was located in an area designated for the Gold Valley urban park project.

**2016:** Divestment of investments in Dalat Golden Valley Tourism Services Joint Stock Company and Lam Dong Water Supply and Sewerage Construction Consulting Joint Stock Company; Transfer of state capital in Bao Loc Water Supply and Sewerage and Construction Joint Stock Company to Bao Loc City.

**2020 - 2022:** Restructuring the company's organizational structure towards a leaner and more efficient model.

**2023:** Second amendment to the Company's charter, adding chemical and biological testing services to the Company's business activities.

**2024:** Successfully divested 02 affiliated companies including: (1) Duc Trong Water Supply and Construction Joint Stock Company; (2) Di Linh Water Supply and Construction Joint Stock Company.

**2025:** The company completed the procedures for changing its seal design and amending its Business Registration Certificate (12th amendment). The updated content includes the head office address and legal representative, in order to comply with the provincial administrative boundary merger plan effective from July 1, 2025.

# BUSINESS LINES AND AREAS

## BUSINESS LINES

Business lines	Business sector/ occupation code
Production of non-alcoholic beverages and mineral water. <i>Details: Production of bottled drinking water.</i>	1104
Wholesale of other building materials and installation equipment. <i>Details: Wholesale of flat glass, hardware and locks, pipes, fittings, other assembly parts, water heaters, sanitary ware such as: bathtubs, sinks, toilets, other sanitary ceramics, sanitary installation equipment such as: pipes, conduits, fittings, faucets, T-joints, rubber hoses; hand tools: hammers, saws, screwdrivers, other hand tools.</i>	4663
Retail sale of hardware, paint, glass and other installation equipment for construction in specialized stores. <i>Details: Business dealing in various types of water supply and Sewerage materials and equipment.</i>	4752
<b>Water extraction, treatment, and supply</b>	<b>3600 (Main)</b>
Sewerage and wastewater treatment	3700
Architectural and related engineering consulting activities <i>Details: Consulting services for the design of civil engineering works, water supply and Sewerage works, and construction supervision.</i> <i>Construction work. Supervision of civil, industrial, water supply and Sewerage, and irrigation projects.</i> <i>Preparing investment projects for construction works, reviewing investment projects, and assessing environmental impacts.</i> <i>Design and cost estimation for civil, industrial, water supply and Sewerage, and irrigation construction projects.</i>	7110
Installation of water supply and Sewerage systems, heating and air conditioning systems.	4322
Technical inspection and analysis <i>Details: Inspection, calibration, and testing services for mechanical cold water meters, with diameters ranging from 50mm to 100mm.</i>	7120
Scientific research and technological development in the field of natural sciences <i>Details: Chemical testing, biological testing</i>	7211

## BUSINESS AREAS

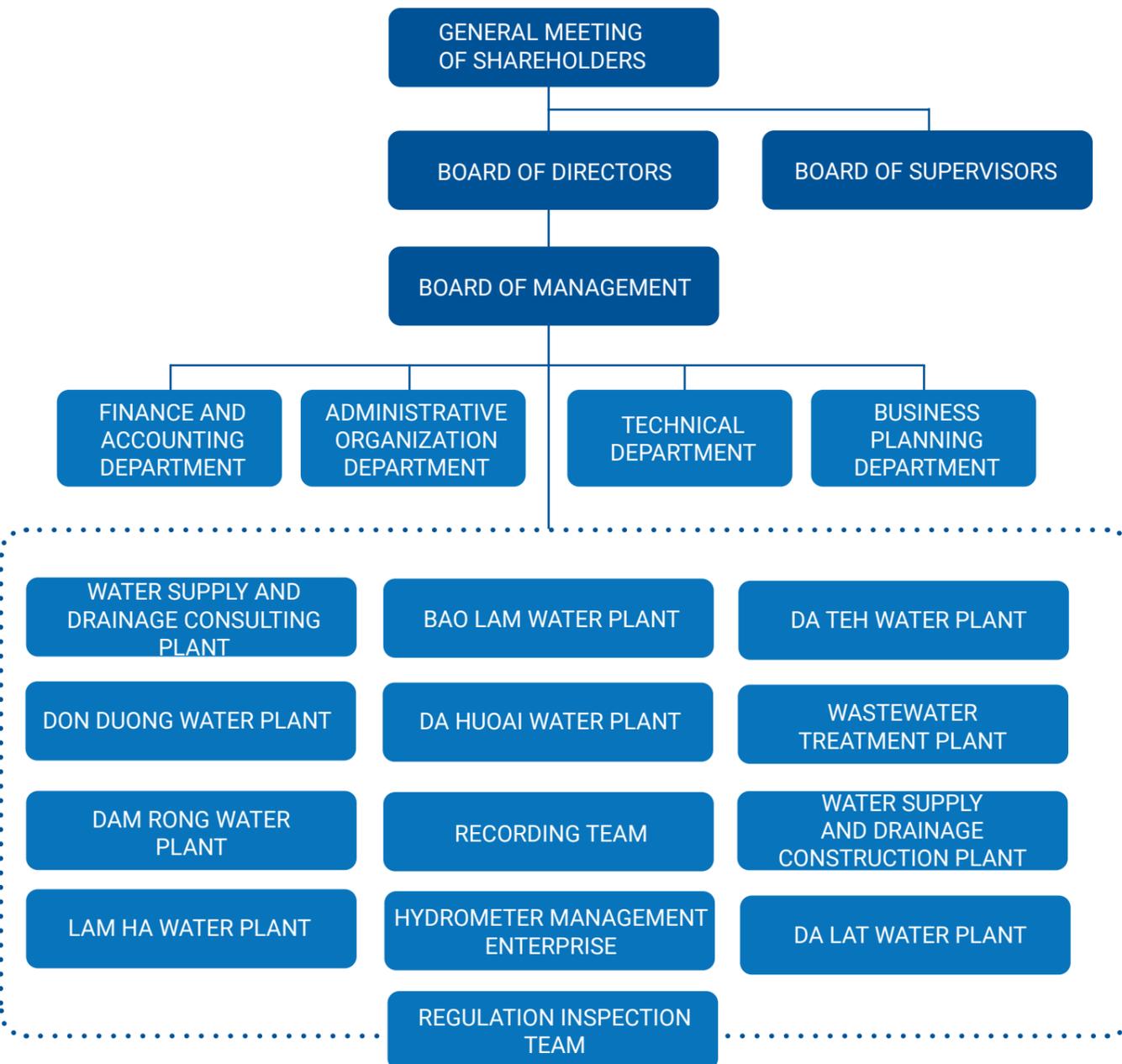
The company primarily operates in the production and supply of clean water to several wards and communes in Lam Dong province.

In addition, the company provides wastewater collection and treatment services in several wards and communes within Lam Dong province.



# GOVERNANCE MODEL, BUSINESS ORGANIZATION, AND MANAGEMENT APPARATUS

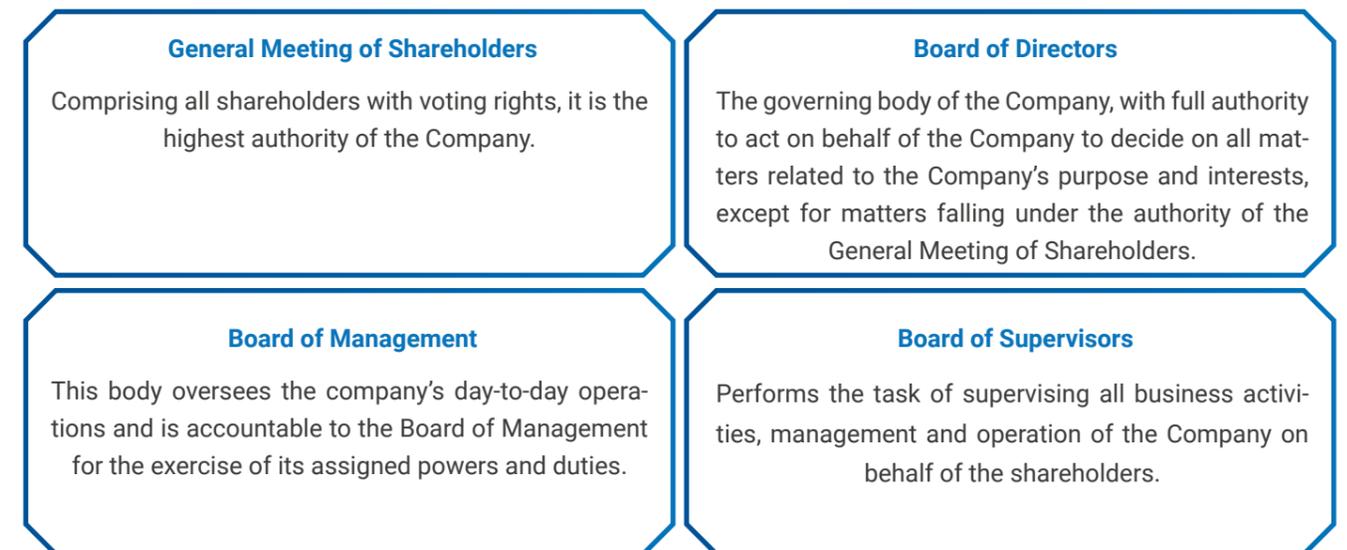
## ORGANIZATIONAL STRUCTURE OF THE MANAGEMENT SYSTEM



**SUBSIDIARIES AND AFFILIATED COMPANIES:** None

## GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

Lam Dong Water Supply and Sewerage Joint Stock Company operates as a joint stock company in accordance with Point a, Clause 1, Article 137 of Enterprise Law No. 59/2020/QH14 dated June 17, 2020, and other relevant legal regulations, with the following organizational structure for management:



## SUBORDINATE UNITS

No.	Name of member unit	Address	Main business activities
1	Lam Ha Water Plant	Dinh Van Lam Ha Commune, Lam Dong Province	Production and distribution of clean water
2	Bao Lam Water Plant	Bao Lam 1 Commune, Lam Dong Province	Production and distribution of clean water
3	Da Teh Water Plant	Da Teh Commune, Lam Dong Province	Production and distribution of clean water
4	Don Duong Water Plant	Don Duong Commune, Lam Dong Province	Production and distribution of clean water
5	Dam Rong Water Plant	Dam Rong 2 Commune, Lam Dong Province	Production and distribution of clean water
6	Da Huoai Water Treatment Plant	Da Huoai Commune, Lam Dong Province	Production and distribution of clean water
7	Da Lat Water Plant	Langbiang - Da Lat Ward, Lam Dong Province	Production and distribution of clean water
8	Wastewater treatment plant	Cam Ly - Da Lat Ward, Lam Dong Province	Wastewater collection and treatment system management
9	Water Supply and Drainage consulting plant	Lam Vien - Da Lat Ward, Lam Dong Province	Consulting on design and supervision of basic construction projects.
10	Water Supply and Drainage Construction plant	Lam Vien - Da Lat Ward, Lam Dong Province	Construction and installation of water supply systems, basic construction.
11	Hydrometer Management Enterprise	Lam Vien - Da Lat Ward, Lam Dong Province	State certification of cold water meters from 15 - 100 mm

# DEVELOPMENT ORIENTATION

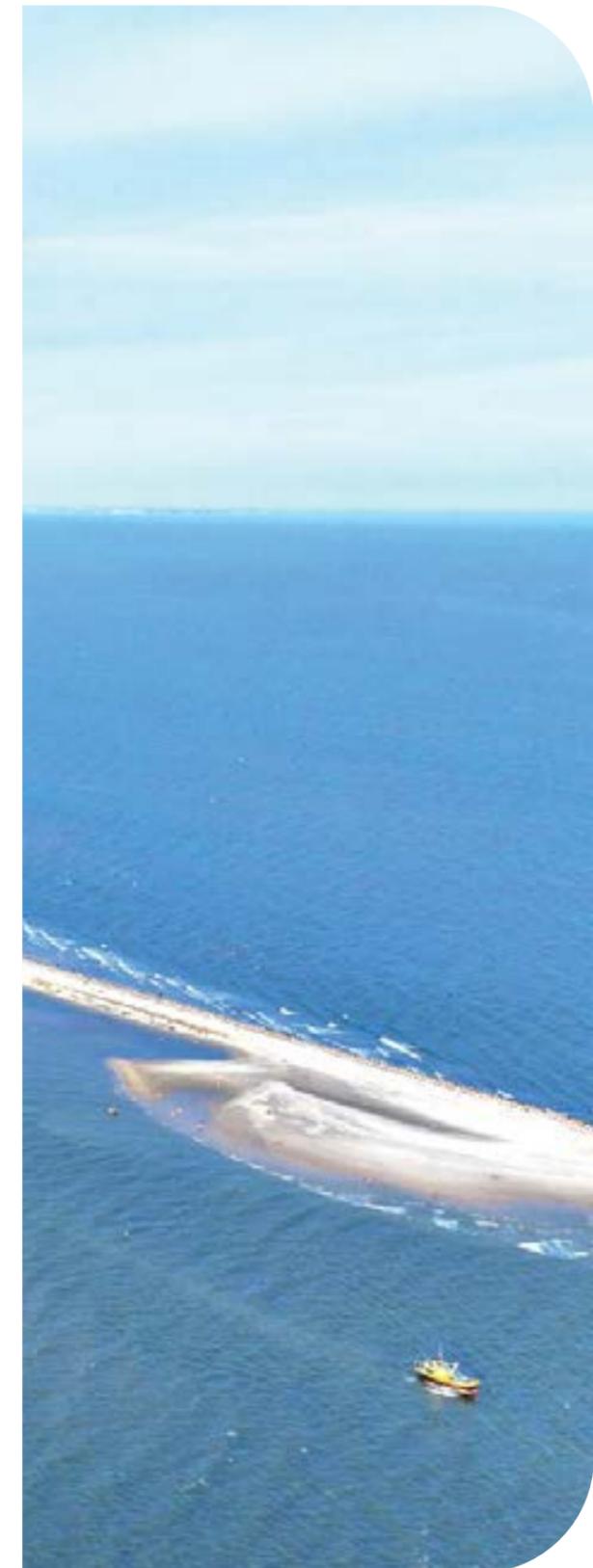
## THE COMPANY'S MAIN OBJECTIVES

- Focus on definitively resolving the water shortage situation in many areas within the company's water supply coverage. LAWACO prioritizes negotiations to purchase water or acquire the Tuyen Lam Water Treatment Plant, while also researching investment in an additional transmission pipeline from the Dan Kia 1 Plant to Da Lat to increase water supply capacity for central areas. Simultaneously, the company is upgrading the capacity of the Dan Kia 1 Plant from 25,000 m<sup>3</sup>/day to 49,000 m<sup>3</sup>/day, improving areas with weak water pressure, and exploring new water sources in other wards and communes to supplement polluted or depleted areas.
- Continue to effectively implement the water loss prevention program throughout the entire system, while simultaneously completing and implementing the Water Loss Prevention Plan as directed by the Lam Dong Provincial People's Committee to achieve more thorough results. The company will strengthen maintenance and upkeep of the main and branch pipelines, pumping stations, and plants, promptly detecting and resolving technical issues to ensure stable, continuous, and safe operation.
- Implement organizational restructuring towards a streamlined structure, in line with the multi-industry development strategy and the government's policy of merging administrative units. The company focuses on rationally reallocating human resources to improve management efficiency, service quality, and the ability to meet customer needs.
- Develop and implement a plan to improve production and business efficiency to ensure the maintenance of the return on equity (ROE) in the following years. The focus will be on improving the quality of human resources, enhancing management capabilities, and strongly applying information technology in the company's operational management.



## MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

- Focus on synchronizing the water supply system by applying advanced technologies to production and business operations, aiming to improve operational efficiency, minimize water loss, and optimize productivity at supply stations. This direction not only contributes to stabilizing output for the enterprise but also ensures increasingly better service quality.
- Promote the construction and improvement of a modern water supply system, serving the central urban areas of the province as well as residential areas in remote and rural regions within LAWACO's water supply coverage area. The ultimate goal is to ensure 100% of the population has access to clean water that meets hygiene standards, bringing a better quality of life to the community.
- Continue to focus on addressing water shortages in specific disadvantaged areas, while simultaneously implementing comprehensive and synchronized inspections and maintenance of water pipelines and equipment on a regular basis. These efforts aim to ensure that the water supply consistently meets the quality standards set by the Ministry of Health.
- Strengthen the application of advanced science and technology in operational processes, not only to improve water quality but also to optimize system efficiency, minimize costs, and limit negative impacts on the environment, aiming for sustainable development.
- Prioritize research and the systematic development of a digital transformation strategy, gradually applying AI to the company's operations with a focus on building a digital culture. This will not only optimize workflows but also create a solid foundation for sustainable development in the digital age.



## SUSTAINABLE DEVELOPMENT GOALS



### 01

For the environment



- Actively participate in local environmental protection programs and strengthen communication efforts to raise community awareness about the importance of using clean water with clear origins and meeting the standards of the Ministry of Health. Through this, the company encourages people to use water economically and efficiently, limit uncontrolled water resource exploitation, and contribute to environmental protection and maintaining ecological balance.
- Emphasis is placed on investing in research and application of advanced technological solutions in the treatment and supply of clean water. A notable achievement is the deployment of real-time operational monitoring systems, contributing to opti-

mizing water quality, enhancing transparency, and ensuring safety throughout the entire water supply process, meeting the increasingly high demands of modern society.

- Develop and implement an environmental protection plan for the entire system in 2026, ensuring that all production and business activities are linked to environmental protection goals. LAWACO is committed to strictly complying with all relevant laws and regulations regarding the exploitation and use of water resources in production, ensuring stable and sustainable development.

### 02

For society and workers



- In parallel with pursuing revenue and profit growth targets, the Company always prioritizes the quality of clean water supply services, ensuring full and strict compliance with legal regulations. This orientation contributes to strengthening the foundation for sustainable development, while ensuring the health of people using clean water, improving the quality of life, and making a positive contribution to social welfare in the locality.
- The company's leadership pays special attention to human resource development, building a transparent work environment, and creating clear and appropriate opportunities for career advancement. The company strictly implements measures to ensure occupational safety in all stages of production, contributing to the formation of a professional and qualified workforce, ready to adapt to industry changes and effectively meet the operational models that the leadership is directing in the coming period.

# RISK IDENTIFICATION

## ECONOMIC RISK

According to the General Statistics Office of Vietnam, Vietnam's economy in 2025 continued its positive recovery trend, with an estimated GDP growth of 8.02% for the whole year. The main drivers of growth comes from the industrial and service sectors, recording increases of 8.80% and 8.82% respectively, thanks to the stability of the FDI-funded manufacturing sector and import-export activities. However, the economic outlook still faces many unpredictable factors, as external risks such as trade tensions, geopolitical conflicts, and volatility in international financial markets remain complex, thereby putting certain pressure on domestic macroeconomic management.

For the water supply sector, macroeconomic factors, while not as direct and powerful as those affecting the trade or financial sectors, still pose significant risks. Favorable GDP growth contributes to boosting water demand for production and daily life. However, the demand for clean water depends more on the rate of urbanization and urban population growth than on short-term fluctuations in economic output. According to the Ministry of Construction, the urbanization rate is projected to reach 45% in 2025 and exceed 50% by 2030, with 1,000-1,200 urban areas nationwide. Rapid urbanization and increasing demand for clean water (projected demand reaching 122.5 billion m<sup>3</sup>/year by 2030 and 131.7 billion m<sup>3</sup>/year by 2050) place a heavy burden on existing water supply infrastructure, forcing entities like LAWACO to invest in upgrading capacity and distribution systems to meet demand.

Against this backdrop, LAWACO has proactively implemented various solutions to ensure stable business operations and adapt to economic fluctuations. Specifically, the company conducts accurate assessments of current water demand and develops long-term forecast scenarios to plan for rational water extraction and distribution, thereby reducing the burden on the water supply system.

In addition, LAWACO promotes the application of smart monitoring technologies such as electronic water meters and flow management systems to promptly detect abnormal signs, thereby improving the efficiency of system operation and management. The company also strengthens its communication efforts to raise community awareness about water conservation and sustainable water resource exploitation. Simultaneously, LAWACO closely cooperates with local authorities in controlling groundwater extraction activities and protecting raw water sources for production.

Through the synchronized implementation of these solutions, the company aims to minimize the impact of macroeconomic risks, ensure the stable and sustainable operation of the water supply system, and maintain flexible adaptability to future fluctuations.

## INVESTMENT RISK

The water supply industry requires very large initial investments and a long payback period due to the need to build large-scale infrastructure systems that operate continuously and have a long lifespan. Investment costs include not only the construction of water treatment plants and transmission and distribution pipeline systems, but also maintenance and periodic upgrade costs to ensure stable operation and maintain service quality. Meanwhile, the price of clean water is tightly controlled by the regulatory authority to ensure accessibility for the population, leading to low profit margins and limited flexibility in adjusting prices according to fluctuations in input costs. These factors create significant pressure on the company's financial capacity, especially in raising new capital to expand capacity, renovate and upgrade pipelines, or implement projects to improve service quality. Risks are further increased as the need for investment in water infrastructure grows in the context of rapid urbanization and increasingly high demands for clean water quality.

Currently, the company is using loans from the Sub-loan Agreement between the Vietnamese Ministry of Finance and LAWACO to implement important projects such as the Da Lat City Water Supply Project and the Lam Dong Province Water Supply Sub-project. With a fixed interest rate of 6.75% per annum plus a 0.2% per annum management fee on the outstanding balance, and no change throughout the loan period, the risk of capital cost fluctuations is assessed as relatively low compared to commercial loan sources.

In addition, the company conducts annual assessments of ongoing and completed projects to identify early risks related to capital requirements, interest rate fluctuations, inflation rates, and changes in credit policies. Based on this, LAWACO develops a flexible financial plan, focusing on diversifying funding sources through a combination of commercial loans, budget support, and international investment funds, to avoid dependence on a single financing channel. The company also regularly reviews the efficiency of capital utilization, ensuring that projects are implemented on schedule, meet objectives, and deliver the highest economic efficiency, thereby minimizing financial risks and optimizing long-term profits.

# RISK IDENTIFICATION

## LEGAL RISK

The operation of water extraction, treatment, and supply is subject to strict regulation by a multi-sectoral legal system, including general laws such as the Enterprise Law, Securities Law, Accounting Law, tax laws, and specific regulations in the field of water resources and environment such as the Water Resources Law, the Environmental Protection Law, and many mandatory technical standards. The continuous changes in the legal framework, especially the promulgation of new documents such as Law No. 56/2024/QH15, Circular 68/2024/TT-BTC, the Corporate Income Tax Law 2025 (Law No. 67/2025/QH15), Decree 05/2025/NĐ-CP guiding the Environmental Protection Law, or technical circulars on wastewater effective from September 2025 (04-06/2025/TT-BTNMT), may have a significant impact on the Company's operations. New compliance requirements may increase operating costs, necessitate additional investment, or lead to disruptions in the water extraction, treatment, and supply process. Simultaneously, failure to strictly comply with regulations can expose businesses to administrative penalties, suspension or revocation of licenses, and negatively impact their reputation.

To minimize legal risks, the Company has built a comprehensive compliance management system, ensuring that all operations, from water source extraction and treatment to clean water supply, comply with current regulations. The Company fully complies with the Water Resources Law regarding water extraction permits, controls the quality of treated water according to hygiene and safety standards, adheres to environmental protection requirements, and updates new technical standards related to treatment and wastewater discharge from 2025 onwards. Simultaneously, the Company collaborates with specialized consulting firms to monitor compliance with securities, accounting, and tax laws, as well as specific industry regulations. The Company also prioritizes information transparency and enhances dialogue with state management agencies by fully and accurately disclosing information, including the required English-language disclosure, and proactively updating policy changes to adjust production and business operations accordingly.

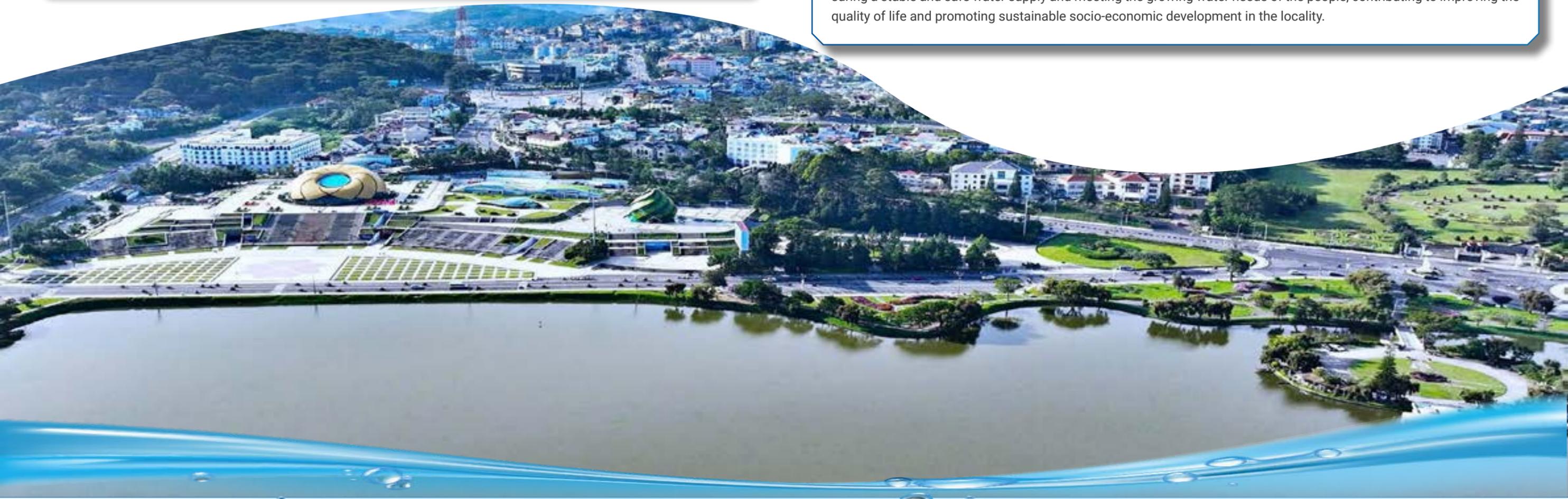
## WEATHER RISK

Lam Dong province is located on a plateau with a temperate climate, but with a distinct distinction between the rainy and dry seasons. During the prolonged dry season, rainfall decreases significantly, potentially leading to lower water levels in reservoirs and surface water sources, hindering raw water extraction. Conversely, the rainy season often brings heavy rains, flash floods, and landslides, increasing the risk of water pollution, washing sediment and rocks into waterways, and thus requiring higher treatment costs. Extreme climate fluctuations, if they occur continuously, can directly impact the ability to maintain the production and quality of incoming water and the safety of the local water supply system.

To mitigate these adverse impacts, the company has implemented a comprehensive set of solutions, including:

- Sustainable water resource management and protection: Implement water resource planning, monitoring, and management to ensure a balance between supply and demand during both the rainy and dry seasons; simultaneously, implement environmental protection measures, prevent erosion, control pollution, and strengthen the protection of headwater forests to reduce the risk of sedimentation and increased turbidity in raw water sources.
- Investment and upgrading of technical infrastructure: Increase investment in upgrading infrastructure and equipment using materials suitable for harsh weather conditions, ensuring pressure resistance and safe operation during storms or droughts.
- Strengthening response capacity and coordinated management: Developing contingency plans, training personnel in incident management and disaster response; and enhancing coordination with local authorities, natural resources and environment agencies, and river basin management units to protect water resources, prevent risks from climate change, and fully comply with relevant legal regulations.

These efforts enable the company to proactively mitigate the adverse impacts of climate and weather conditions, ensuring a stable and safe water supply and meeting the growing water needs of the people, contributing to improving the quality of life and promoting sustainable socio-economic development in the locality.



# RISK IDENTIFICATION

## RISK OF CLEAN WATER LOSS

Water loss is one of the significant operational risks, stemming from both subjective and objective factors. The main cause is the deterioration of the pipeline network, especially in areas with outdated or unupgraded infrastructure, leading to leaks, cracks, and reduced water pressure. Furthermore, mountainous terrain creates large elevation differences, increasing hydrostatic pressure and frequently causing pipeline ruptures. In addition, inconsistent management and monitoring, such as outdated metering equipment, meter errors, or a lack of early detection systems, also contribute to increased losses. Natural factors like complex terrain, land subsidence, heavy rainfall, natural disasters, and the impact of climate change make the system more susceptible to damage. Moreover, illegal water use and unauthorized connections to pipelines still occur, causing significant losses and affecting business efficiency. High loss rates can reduce gross profit margins and increase a business's maintenance and repair costs.

To mitigate this risk, the company has implemented training for technical staff to improve operational and troubleshooting capabilities, established procedures for regular inspection and monitoring of pipeline systems and equipment, and applied technologies such as SCADA systems to detect leaks and losses early. The company has also built a culture of proactive reporting and incident resolution throughout the system to improve management efficiency. Simultaneously, the company collaborates closely with local authorities to address illegal water use or encroachment on the water supply system, and develops contingency plans to respond to climate change, including increasing water storage during the rainy season to compensate for the dry season. Finally, the company prioritizes investment in upgrading and maintaining old pipelines and areas with complex terrain or those prone to natural disasters to minimize damage and enhance the stability of the water supply system.

## ENVIRONMENTAL RISK

Agricultural, livestock, industrial, and domestic activities in Lam Dong province can directly affect the quality of raw water sources. In areas near farms, agricultural processing plants, or densely populated residential areas, the use of fertilizers, pesticides, untreated wastewater discharge, and pollution from household waste can increase the levels of organic matter and impurities in the water. When pollution levels exceed the threshold, LAWACO is forced to increase chemical costs, upgrade treatment technology, or temporarily suspend operations to ensure the quality of the treated water meets standards. In addition, the rapid development of tourism in Lam Dong also puts further pressure on the environment. The large number of tourists increases waste, especially plastic waste from tourist attractions, night markets, restaurants, and hotels, while the collection and treatment system cannot keep up. Untreated wastewater from accommodation and food service establishments continues to contribute to surface water pollution, negatively impacting river and lake ecosystems. Large-scale agricultural activities, especially the cultivation of vegetables, flowers, and industrial crops, are also one of the main causes of environmental pollution. The overuse of chemical fertilizers, pesticides,

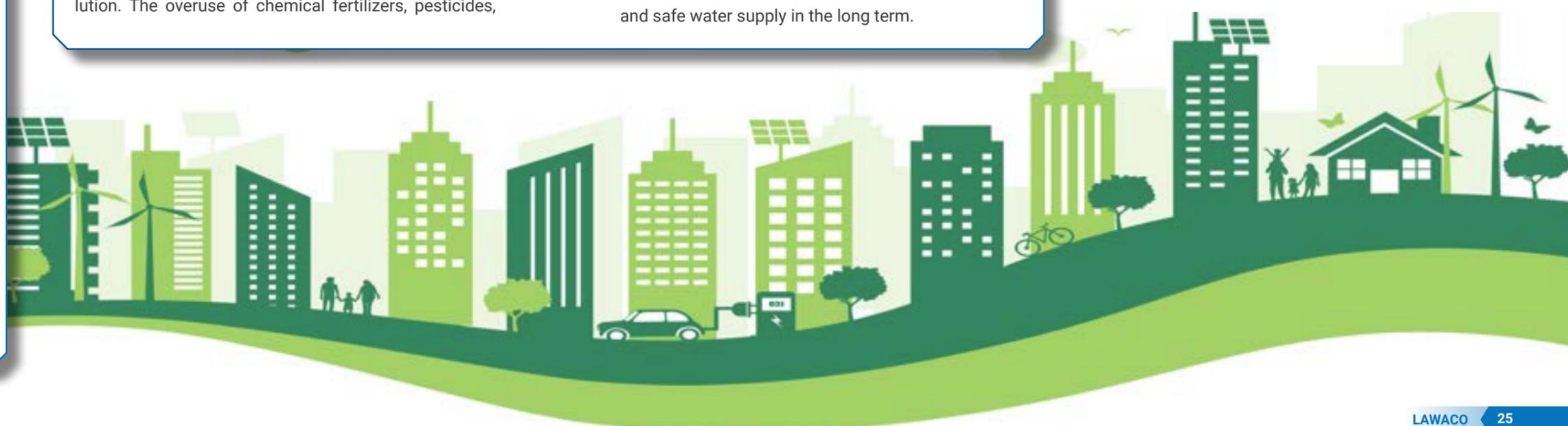
and growth stimulants degrades the soil and pollutes water sources. In particular, the uncontrolled development of greenhouses on hilly terrain without proper planning leads to soil erosion, landslides, and changes in water flow, posing a potential risk to areas where raw water is extracted. Furthermore, unexpected environmental incidents such as chemical spills, localized pollution, or changes in water sources from upstream projects can directly affect water safety and the company's production activities.

In response to these risks, the company has strengthened the modernization of its water supply infrastructure, including upgrading the pipeline network and treatment plants to minimize leaks and stabilize the quality of incoming water. The company also applies advanced monitoring technologies such as water quality sensors and early warning systems for pollution or water source degradation to proactively address incidents. Furthermore, it collaborates closely with local authorities and stakeholders in water resource management, wastewater monitoring, and pollution prevention from agriculture, industry, and domestic activities, aiming to ensure a sustainable and safe water supply in the long term.

## OTHER RISKS

Natural disasters, fires, landslides, epidemics, or wars can cause significant damage to a business's infrastructure, equipment, and human resources. This leads to disruptions in water supply and increased recovery costs.

To mitigate the impact of unforeseen risks, the company has developed an emergency prevention and response plan, conducted regular inspections of the water supply system, and implemented preventative measures such as infrastructure reinforcement, early warning system installation, and ensuring adequate water reserves. In addition, the company has strengthened insurance coverage for assets, facilities, and employees, and closely collaborates with the government and relevant authorities to promptly address any emerging situations. Emphasis is also placed on training employees in emergency response procedures to minimize damage and maintain stable operations.





**02**

## **OPERATIONAL OVERVIEW IN THE YEAR**

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# PRODUCTION AND BUSINESS ACTIVITIES

## BUSINESS PERFORMANCE RESULTS FOR 2025

NO.	INDICATOR	UNIT	PLAN 2025	ACTUAL 2025	% ACTUAL 2025/ PLAN 2025	PLAN 2024	% ACTUAL 2025/ ACTUAL 2024
1	Total revenue	Million VND	368,411	367,617	99.78%	389,627	94.35%
1.1	Revenue from production and business operations	Million VND	328,314	319,622	97.35%	319,686	99.98%
1.2	Financial revenue	Million VND	39,471	47,632	120.68%	69,321	68.71%
1.3	Other revenue	Million VND	625	363.57	58.17%	619.31	58.71%
2	Net profit from business operations	Million VND	-	101,644	-	125,214	81.18%
3	Profit before tax	Million VND	95,136	100,773	105.93%	124,672	80.83%
4	Profit after tax	Million VND	-	80,369	-	99,702	80.61%
5	Water loss rate	%	17.00	17.00	100.00%	17.94	94.76%

### Total revenue 2025



### Water loss rate



### Profit after tax



At the end of the 2025 fiscal year, the Company's operational targets were generally met and close to the plan approved by the General Shareholders' Meeting, indicating that production and business activities continued to be maintained stably despite the challenging market conditions.

Specifically, the company's total revenue reached 367,617 million VND, equivalent to 94.35% of the 2024 performance and 99.78% of the 2025 plan. Of this, revenue from production and business activities reached 319,622 VND million, equivalent to 99.98% compared to the same period, reflecting the continued stability of the company's core business operations.

The main business activities continued to operate stably, meeting the demand for clean water in the area. The company focused on system management and operation, strengthening cost control and improving asset utilization efficiency, contributing to maintaining operational efficiency throughout the year.

Financial revenue in 2025 reached 47,632 million VND, achieving 120.68% of the annual plan. However, this represents a decrease compared to the same period last year due to the exceptional income recorded in 2024 from divestment activities in affiliated companies. In 2025, financial revenue mainly came from deposits and financial investments, reflecting the relatively efficient management and utilization of cash flow by the Company.

Net profit from business operations, profit before tax, and profit after tax in 2025 all decreased compared to 2024, mainly due to a significant decrease in financial revenue as mentioned above. Meanwhile, major expenses such as financial expenses, selling expenses, and administrative

expenses were well controlled and reduced compared to the previous year. At the end of 2025, pre-tax profit reached 100,773 million VND, equivalent to 105.93% of the annual plan, demonstrating the Board of Management's efforts in flexible management, cost control, and optimizing operational efficiency. Profit after tax reached 80,369 million VND, maintaining a positive level, ensuring the accumulation capacity and capital for reinvestment and system development in the following years.

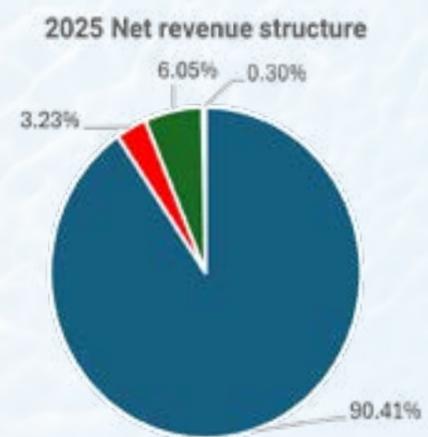
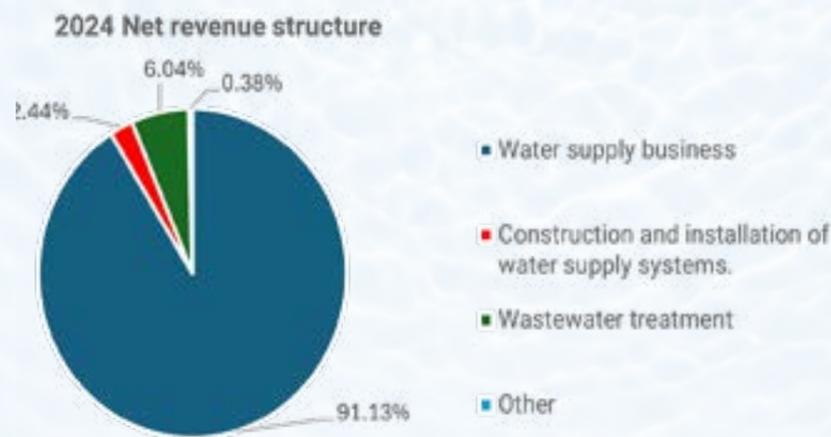
Water production for the year reached 26,379 thousand m<sup>3</sup>, equivalent to 98.83% of the 2024 target; recorded water volume reached 21,895 thousand m<sup>3</sup>, equivalent to 99.97% compared to the same period. Water loss was controlled at 17.00%, achieving 100% of the annual plan and improving compared to the previous year, demonstrating the effectiveness of network management and loss reduction solutions. Customer development achieved positive results with 3,705 new households, exceeding the plan by 19.52% and nearly equivalent to the 2024 target, contributing to expanding the service coverage and creating room for sustainable growth.

In response to the volatile business environment in 2025, the company proactively implemented solutions to ensure the continuous and safe supply of clean water to customers, while promptly addressing technical requests and maintaining water quality inspection and monitoring in accordance with current standards. This has helped maintain stable production and business operations and create a solid foundation for the next phase of development.

# PRODUCTION AND BUSINESS ACTIVITIES

## NET REVENUE STRUCTURE IN 2025

NO.	INDICATOR	ACTUAL 2025		ACTUAL 2024		%ACTUAL 2025/ ACTUAL 2024
		VALUE (MILLION VND)	PROPORTION	VALUE (MILLION VND)	PROPORTION	
1	Supply of clean water	288,984	90.41%	291,335	91.13%	99.19%
2	Construction and installation of water supply systems.	10,327	3.23%	7,809	2.44%	132.24%
3	Wastewater treatment	19,351	6.05%	19,315	6.04%	100.19%
4	Other	960	0.30%	1,227	0.38%	78.25%
<b>Total</b>		<b>319.622</b>	<b>100.00%</b>	<b>319,686</b>	<b>100.00%</b>	<b>99.98%</b>



### Revenue from construction and installation of water supply systems



### Revenue from water supply business



### Revenue from wastewater treatment



Supply of clean water continues to be the core and leading segment of LAWACO’s net revenue structure, contributing the largest proportion. In 2025, revenue from supply of clean water reached 288,984 million VND, accounting for 90.41% of total net revenue, maintaining a stable foundation compared to the previous year. Despite a slight adjustment in the average water selling price, reaching 13,199 VND/m<sup>3</sup> compared to 13,302 VND/m<sup>3</sup> in 2024, the company maintained its revenue scale thanks to stable water consumption and the continued demand for water from residents and businesses in the area.

The wastewater collection and treatment segment continues to receive significant investment from the company, operating efficiently and maintaining stability. The wastewater collection and treatment system operates continuously with an average flow rate of approximately 9,405 m<sup>3</sup>/day; the total amount of wastewater treated during the year reached 3,400,079 m<sup>3</sup>, equivalent to 97.92% of the annual plan. Revenue from this activity reached 19,351 million VND, accounting for 6.05% of total net revenue and showing a slight increase compared to the previous year.

The construction and installation of water supply systems also recorded positive growth, contributing 10,327 million VND in revenue, accounting for 3.23% of total net revenue, a 32.24% increase compared to 2024. This growth stems from the expansion of design and construction services for water supply and Sewerage projects serving both institutional and individual customers, especially projects involving connection and upgrading of water supply infrastructure. This segment effectively complements the core business, while also contributing to diversifying revenue sources and enhancing the overall service value of the Company.

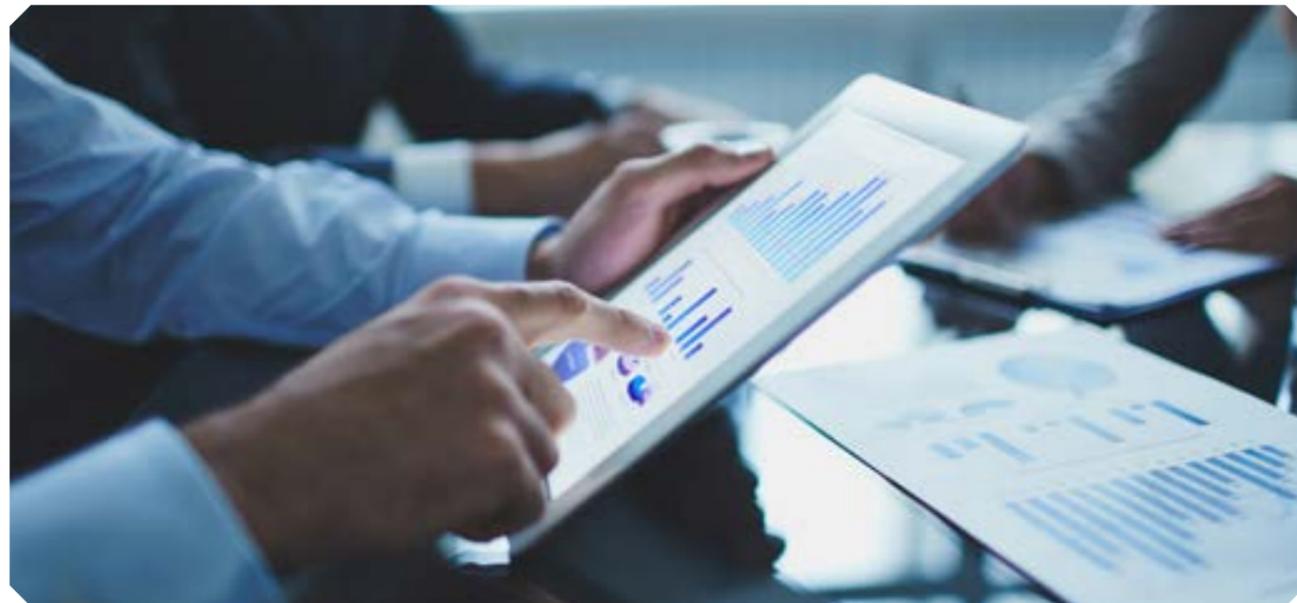
Overall, in 2025, LAWACO’s core business segments will continue to maintain stability amidst challenging market conditions. Supply of clean water remains the cornerstone, wastewater collection and treatment services operate efficiently and sustainably, while water supply system construction and installation record outstanding growth. A balanced and diversified revenue structure is a crucial foundation for the company to consolidate its position, improve operational efficiency, and aim for stable and sustainable development in the coming years.

# ORGANIZATION AND PERSONNEL

## LIST OF THE BOARD OF MANAGEMENT

NO.	MEMBER	POSITION	NUMBER OF SHARES OWNED	NUMBER OF REPRESENTATIVE SHARES OWNED (*)	OWNERSHIP PERCENTAGE (%)
1	Nguyen Hung Cuong	Member of the BOD - General Director	-	22,059,047	27.99
2	Nguyen Van Dung	Member of the BOD - Deputy General Director	3,600	9,453,877	12.00
3	Bui Hoang Truong Vi	Chief Accountant	1,300	-	0.00

(\*): Based on the list of shareholders as of December 31, 2025



## PROFILES OF THE BOARD OF DIRECTORS



### Mr. NGUYEN HUNG CUONG

Member of the Board of Directors cum General Director

- **Date of birth:** November 25, 1966.
- **Nationality:** Vietnam.
- **Qualification:** Civil Engineer.

Current position at another organization:

None.

Number of shares held at present:

- **Personal:** None.
- **+ Ownership representative:** Representative of the State Capital Investment Corporation (SCIC): 22,059,047 shares (accounting for 27.99% of the charter capital).

Time	Work experience
Sep 1987 – May 1989	Technician at Lam Dong Transportation Construction Enterprise.
May 1989 – 1998	Workers at the Da Lat Waterworks - Lam Dong Water Supply and Sewerage Company Limited
1998 – Sep 2004	Technician of the Inspection and Supervision Team - Lam Dong Water Supply and Sewerage Company Limited.
Sep 2004 – Apr 2006	Deputy Team Leader of the Basic Construction Team, Lam Dong Water Supply and Sewerage Company Limited.
Apr 2006 – Oct 2007	Team leader of the Basic Construction Team, Lam Dong Water Supply and Sewerage Company Limited.
Oct 2007 – Feb 2009	Director and Party Secretary of the Construction and Installation Enterprise, Lam Dong Water Supply and Sewerage Company Limited.
Feb 2009 – Jul 2009	Deputy Director of Da Lat Water Plant - Lam Dong Water Supply and Sewerage Company Limited.
Jul 2009 – Oct 2011	Director and Party Secretary of the Construction and Installation Enterprise, Lam Dong Water Supply and Sewerage Company Limited.
Oct 2011 – Sep 2012	Specialist in the Construction Management Department of the Lam Dong Provincial Department of Construction.
Sep 2012 – Sep 2017	Deputy Head of the Investment Development and Technical Infrastructure Department - Lam Dong Provincial Department of Construction.
Sep 2017 – Jun 2018	Deputy Director of Lam Dong Water Supply and Sewerage Company Limited
Jun 2018 – Aug 202	Deputy General Director and Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company.
Sep 2020 – present	General Director of Lam Dong Water Supply and Sewerage Joint Stock Company.

# ORGANIZATION AND PERSONNEL

## LIST OF THE BOARD OF MANAGEMENT



### Mr. NGUYEN VAN DUNG

Member of the Board of Directors cum Deputy General Director

- **Date of birth:** June 2, 1968.
- **Nationality:** Vietnam
- **Qualification:** Bachelor of Accounting.

Current position at another organization: None.

Number of shares held at present:

- **Personal:** 3,600 shares, representing 0.00% of the charter capital.
- **Ownership representative:** Representative of the State Capital Investment Corporation (SCIC): 9,453,877 shares (accounting for 12.00% of the charter capital).

Time	Work experience
1990	Staff of the Lam Dong Provincial Statistics Department.
1991 – 1994	Accounting staff at Lam Dong Water Supply and Sewerage Company Limited.
1995 – 2008	Deputy Head of Accounting Department, Lam Dong Water Supply and Sewerage Company Limited.
2009 – May 2018	Chief Accountant of Lam Dong Water Supply and Sewerage Company Limited.
June 2018 – present	Deputy General Director of Lam Dong Water Supply and Sewerage Joint Stock Company.
April 28, 2021 – present	Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company.



### Mr. BUI HOANG TRUONG VI

Chief Accountant

- **Date of birth:** March 7, 1982.
- **Nationality:** Vietnam
- **Qualification:** Bachelor of Accounting, Master of Business Administration.

Number of shares held at present (Personal): 1,300 shares, representing 0.00% of the charter capital.

Time	Work experience
Mar 2004 – Oct 2007	Accounting and Finance Department Staff, Lam Dong Water Supply and Sewerage Company Limited.
Nov 2007 – Dec 2011	Staff of the Quality Management Department, Lam Dong Water Supply and Sewerage Company Limited.
Jan 2012 – Jun 2018	Accounting and Finance Department Staff, Lam Dong Water Supply and Sewerage Company Limited.
Jun 2018 – May 2023	Acting Chief Accountant of Lam Dong Water Supply and Sewerage Joint Stock Company.
May 27, 2023 – Present	Chief Accountant of Lam Dong Water Supply and Sewerage Joint Stock Company.

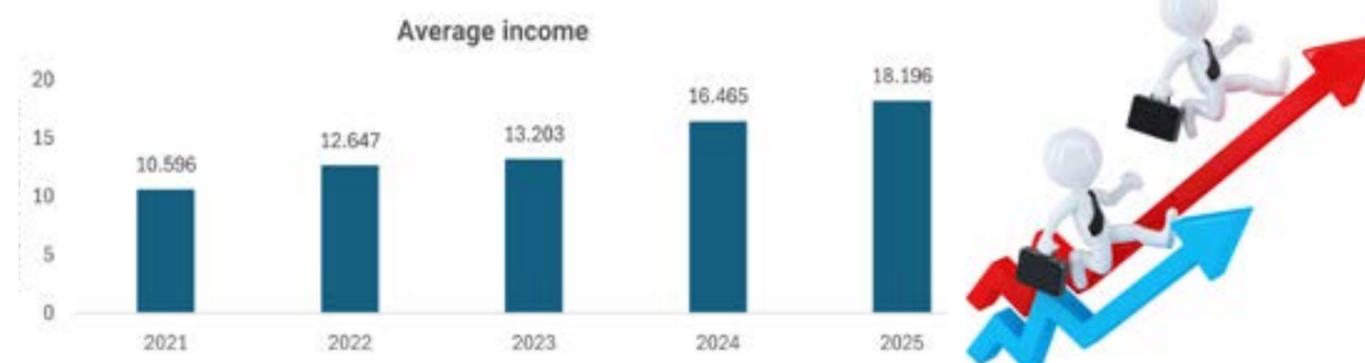
## CHANGES TO THE BOARD OF DIRECTORS IN 2025: None.

## NUMBER OF OFFICERS AND STAFFS

NO.	INDICATOR	2025		2024	
		NUMBER (PEOPLE)	PERCENTAGE (%)	NUMBER (PEOPLE)	PERCENTAGE (%)
I	<b>According to labor skill level</b>	363	100.00	369	100.00
1	University and postgraduate level	148	40.77	146	39.57
2	College and vocational school level	60	16.53	58	15.72
3	Entry-level and Technical Workers	155	42.70	165	44.71
II	<b>By gender</b>	363	100.00	369	100.00
1	Male	261	71.90	268	72.7
2	Female	102	28.10	101	23.3
III	<b>According to the term of the employment contract</b>	363	100.00	369	100.00
1	The contract has a term of 1 to 3 years.	23	6.34	23	6.24
2	Indefinite term contract	340	93.66	346	93.76
	<b>Total</b>	<b>363</b>	<b>100.00</b>	<b>369</b>	<b>100.00</b>

## AVERAGE INCOME OF WORKERS

INDICATOR	2024	2025
Total number of employees (people)	369	363
Average income (million VND/person/month)	16.465	18.196



# ORGANIZATION AND PERSONNEL

## HUMAN RESOURCES POLICY



### REGARDING RECRUITMENT



### REGARDING TRAINING



### REGARDING SALARY AND BONUSES



### REGARDING BENEFITS AND COMPENSATION

## 1

### Regarding recruitment

LAWACO recognizes that people are the key factor determining the effectiveness of management and the sustainable development of the Company. In 2025, the Company will continue to build and refine its human resource policy towards professionalism, closely linking long-term development strategy with recruitment and employment practices.

Recruitment activities are implemented selectively, prioritizing the attraction of skilled workers and engineers in specialties relevant to the Company's field of operation. At the same time, the Company proactively develops recruitment plans to promptly supplement personnel for its units when needs arise due to retirements, resignations, or changes in the workforce structure, thereby ensuring the stability of the human resources serving its production and business activities.

In parallel, LAWACO also focuses on building a professional working environment, encouraging innovation and creativity, and creating conditions for employees to develop their abilities, improve their skills, and remain committed to the company in the long term. Regular performance evaluations are conducted to recognize employee contributions and serve as a basis for training, development, and compensation.



## 2

### Regarding training

Training and developing human resources continues to be a key focus in LAWACO's development strategy for 2025. During the year, the company sent many officers and employees to participate in professional training and development programs to enhance their professional skills and meet job requirements. Specifically, the company sent personnel to participate in examinations for construction practice certificates and bidding certificates; and attended specialized seminars on water loss prevention, and the application of technology and software in the operation and management of water supply systems. At the same time, the company also organized and sent employees to training courses related to labor policies, wages, social insurance, and relevant legal regulations.

Through these training and development activities, LAWACO gradually improves the professional qualifications, management skills, and technological application capabilities of its staff, contributing to enhanced operational efficiency and meeting the long-term development requirements of the Company.



## ORGANIZATION AND PERSONNEL

### HUMAN RESOURCES POLICY

3

#### Regarding salary and bonuses

LAWACO maintains a transparent, fair, and performance-based salary and bonus policy. Employee income is reviewed and adjusted based on labor productivity, professional competence, and the level of contribution to the company's overall performance. In addition, performance-based reward policies, promotion opportunities, and timely recognition of individuals and teams with positive contributions continue to be implemented to motivate employees and encourage dedication. Through this, the reward policy is designed to balance the benefits between experienced and new employees, contributing to a cohesive and stable work environment and encouraging employees to continuously improve their performance.

4

#### Regarding benefits and compensation

In addition to salary and bonus policies, LAWACO also focuses on fully implementing welfare programs to care for the material and spiritual well-being of its employees. In 2025, the company will continue to fully implement insurance schemes as prescribed by law, while maintaining supplementary insurance policies to enhance the health and safety of its employees.

The company takes care of the well-being of its employees through timely visits and support for staff, workers, and their families in difficult situations, illnesses, as well as for retired workers and those who have reached retirement age. In addition, the company organizes regular health check-ups, sightseeing and recreation trips, training, and skills competitions to improve the physical and mental health and professional skills of its employees.

Regular welfare activities and internal movements have contributed to motivating employees, increasing labor productivity, and strengthening employee loyalty to LAWACO, thereby supporting the company in successfully achieving its production and business objectives.



# INVESTMENT SITUATION AND PROJECT IMPLEMENTATION

## PROJECTS IMPLEMENTED DURING THE YEAR

NO.	UNIT/INDICATOR	SETTLEMENT VALUE
1	Buy a 7-seater car	1.387 billion VND
2	Installation of the automatic soda and alum dosing system at Than Tho Lake water plant.	0.946 billion VND
3	Install online monitoring equipment to monitor the flow rate and water quality of Dankia Lake.	1.3 billion VND

## SUBSIDIARIES AND AFFILIATED COMPANIES

As of December 31, 2025, the Company no longer had investments in subsidiaries or associated companies.



# FINANCIAL SITUATION

## FINANCIAL SITUATION

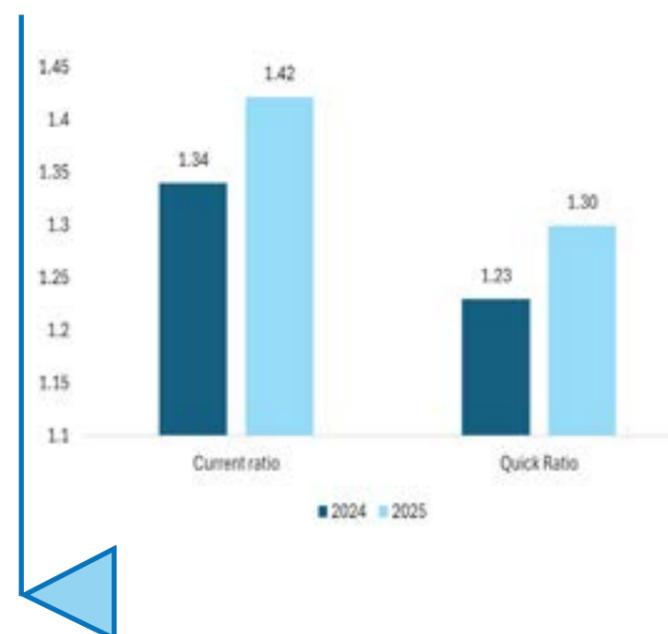
NO.	INDICATOR	UNIT	2025	2024	% 2025 / 2024
1	Total asset value	Million VND	1,179,681	1,197,826	98.49%
2	Total revenue	Million VND	367,617	389,627	94.35%
3	Profit from business operations	Million VND	101,644	125,214	81.18%
4	Profit before tax	Million VND	100,773	124,672	80.83%
5	Profit after tax	Million VND	80,369	99,702	80.61%



# FINANCIAL SITUATION

## KEY FINANCIAL INDICATORS

INDICATOR	UNIT	2025	2024	% INCREASE/ DECREASE
<b>Solvency ratios</b>				
Current ratio	Time	1.42	1.34	6.26%
Quick Ratio	Time	1.30	1.23	5.66%
<b>Capital structure ratios</b>				
Debt/Total Assets Ratio	%	17.67	19.13	-1.46%
Debt/Owner's Equity Ratio	%	21.47	23.65	-2.18%
<b>Operation capability ratios</b>				
Inventory turnover	Turns	28.90	29.18	-0.96%
Total asset turnover	Turns	0.27	0.27	-0.42%
<b>Profitability ratios</b>				
Return on Sales (ROS)	%	25.15	31.19	-6.04%
Return on Equity (ROE)	%	8.29	10.49	-2.20%
Return on Assets (ROA)	%	6.76	8.40	-1.64%
Operating Profit Margin Ratio	%	31.80	39.17	-7.37%



In 2025, the company's solvency indicators showed a positive improvement compared to the previous year, indicating that its financial situation continued to be strengthened in a safe and sustainable manner.

Specifically, the current ratio in 2025 reached 1.42 times, an increase of 6.26% compared to 2024. This improvement mainly stems from an increase in current assets, notably cash equivalents and short-term receivables, especially prepayments to suppliers. During the period, the Company recorded a prepayment to the Water Supply Sewerage Construction and Investment Joint Stock Company worth 9,596,724,179 VND. Meanwhile, short-term liabilities increased only slightly, thereby contributing to improving the Company's ability to meet its financial obligations due.

Furthermore, the quick ratio reached 1.30 times, an increase of 5.66% compared to the same period last year. This increase indicates that the Company's quick ratio continues to be maintained at a good level, reflecting that the scale of assets that can be converted into cash in the short term, such as cash equivalents and accounts receivable, remains appropriate compared to short-term liabilities, while the value of inventory fluctuates only slightly. As a result, the Company maintains a good ability to meet short-term debt obligations even without needing to convert inventory into cash.

Overall, the Company's solvency ratios in 2025 remained above safe levels, reflecting a secure short-term solvency and a trend towards improvement compared to the previous year. The fact that the quick ratio is approaching the current ratio further demonstrates a sound short-term asset structure, stable cash flow, and effective working capital management.

# FINANCIAL SITUATION

## KEY FINANCIAL INDICATORS

### Capital structure indicators

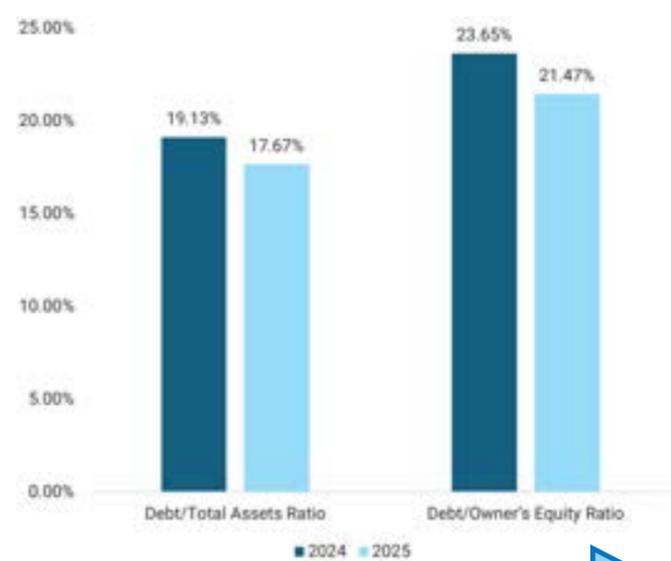
In 2025, the Company's capital structure continued to show an improving trend towards greater prudence and safety, as evidenced by a decrease in financial leverage indicators. Specifically, liabilities as of December 31, 2025, were recorded at 208,486 million VND, a decrease of 20,631 million VND compared to the beginning of the period. This decrease mainly came from long-term debt, reflecting the Company's proactive fulfillment of its debt repayment obligations according to the committed schedule.

Considering the structure of liabilities, the ratio of short-term to long-term debt is approximately 1:2. Of this, the largest proportion of short-term debt at the end of the year – loans and financial leases – remained unchanged compared to the beginning of the period. This is a loan from the World Bank, used to finance two water supply projects in Lam Dong and Da

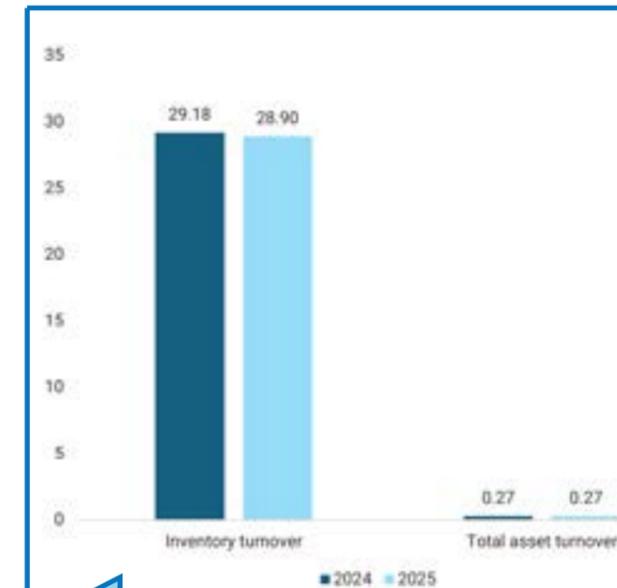
Lat. Regarding long-term debt, the balance as of December 31, 2025 was 139,210 million VND, with long-term loans and financial leases continuing to account for the majority. Compared to the beginning of the period, this item decreased significantly by 22,794 million VND, mainly due to the Company's timely repayment of principal on the World Bank loan, thereby contributing to reducing financial pressure in the medium and long term.

Thanks to simultaneous improvements in both liabilities and equity, the Debt/Total Assets ratio in 2025 decreased to 17.67% (down 1.46 percentage points compared to 2024), while the Debt/Owner's Equity ratio decreased to 21.47% (down 2.18 percentage points). These indicators reflect the continued narrowing of financial leverage, contributing to enhanced financial safety and resilience of the Company in a volatile economic environment.

Overall, the Company's capital structure in 2025 continues to be maintained in a healthy state, with debt tightly controlled, while internal financial capacity is constantly being strengthened. This is an important foundation that helps the Company maintain stable operations, enhance its reputation with credit institutions, and create favorable conditions for future development plans.



### Performance indicators



The indicators reflecting the company's operational capacity in 2025 are expected to remain stable, consistent with the specific characteristics of the water supply and Sewerage industry.

Regarding inventory turnover, 2025 recorded a turnover of 28.90 turns, a decrease of 0.96% compared to 2024. The inventory of water supply companies mainly consists of water treatment chemicals, technical supplies, and tools and equipment used for the operation, maintenance, and repair of water supply systems. Given that the cost of goods sold is typically close to net revenue, the inventory turnover in the industry usually remains high. The slight decrease in this indicator in 2025 suggests a slower inventory turnover rate compared to the previous year, reflecting a trend of increasing material reserves to ensure supply security and stable production and business operations. However, this decrease is insignificant, indicating that the company's inventory management remains well-controlled, without significant stagnation, and continues to meet production and business needs promptly.

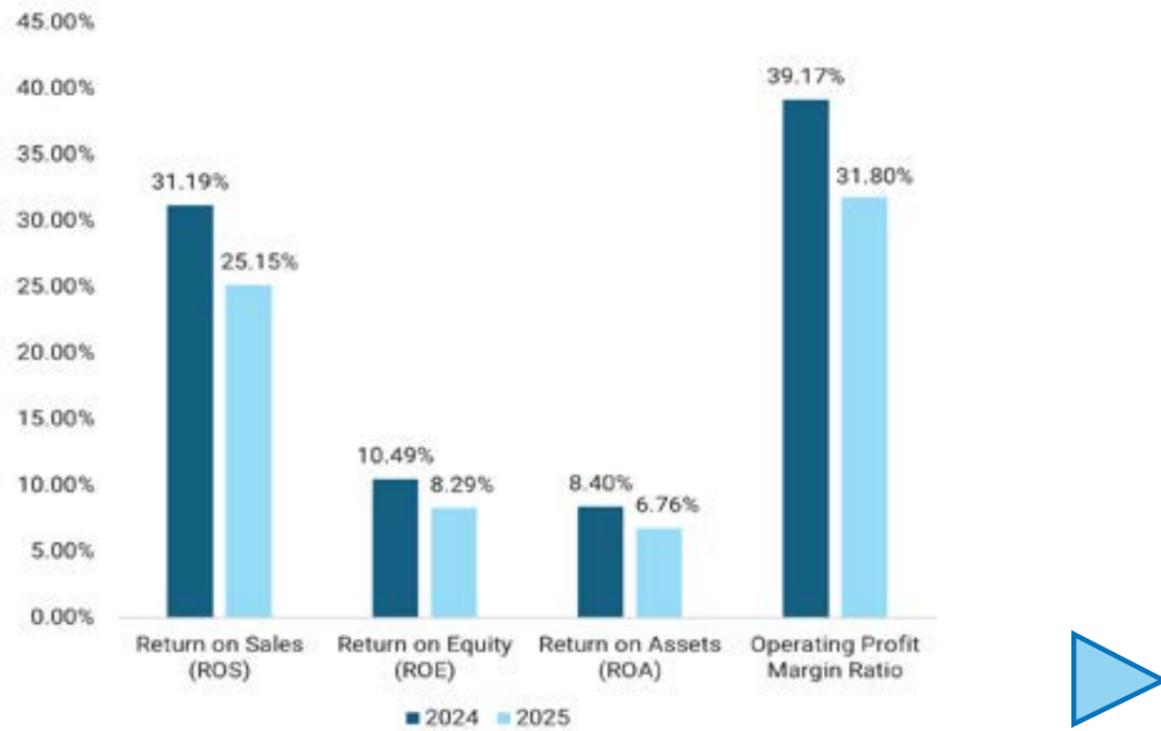
Regarding the total asset turnover ratio, this indicator in 2025 reached 0.27 turns, remaining almost unchanged compared to the previous year. The main reason is that the company did not incur any large-scale asset investments during the year, while revenue remained stable. This indicates that the efficiency of utilizing existing assets continues to be maintained, consistent with the strategy of optimizing asset utilization during a period focused on stabilizing operations and controlling investment costs.



# FINANCIAL SITUATION

## KEY FINANCIAL INDICATORS

### Profitability indicators



In 2025, the Company's profitability indicators showed a downward trend compared to the previous year. However, this fluctuation mainly stemmed from the high comparative base of 2024, when the Company recorded a significant increase in financial revenue from divestment activities in associated companies, which were of an unusual nature.

Specifically, the return on sales (ROS) ratio in 2025 is projected to reach 25.15%, a decrease of 6.04 percentage points compared to 2024. This decline directly reflects a decrease in after-tax profit while net revenue remained stable, indicating that the main impact stemmed from the previous year's extraordinary financial income, rather than a decline in core business performance. Regarding the return on equity (ROE), it is projected to reach 8.29% in 2025, a decrease of 2.20 percentage points compared to the same period. Similarly, the ROA ratio is recorded at 6.76%, a decrease of 1.64 percentage points. This development reflects

a technical adjustment due to the decrease in after-tax profit, while the size of equity and total assets continues to be maintained at stable and safe levels. Notably, the profit margin from business operations on net revenue reached 31.80%, a decrease of 7.37 percentage points compared to 2024. However, this indicator remains high compared to the industry average, reflecting the continued preservation of profitability from the Company's core operations, despite the upward trend in input and operating costs.

Overall, although profitability indicators in 2025 decreased compared to the previous year, the main reason was the exceptional financial income in 2024, which does not reflect a decline in the Company's operational capacity. Core business operations remain efficient, creating a stable foundation for the Company to continue improving profitability in the future when there are no longer any unusual factors influencing it.



## SHAREHOLDER STRUCTURE, CHANGES IN THE OWNER'S EQUITY

**SHARES:** as of December 31, 2025



### CHANGES IN EQUITY INVESTMENT

Since its establishment, the Company has not increased its charter capital.

**TREASURY STOCK TRANSACTIONS:** None

**OTHER SECURITIES:** None

## SHAREHOLDER STRUCTURE

Based on the latest shareholder list as of December 31, 2025

NO.	TYPE OF SHAREHOLDER	NUMBER OF SHARES	VALUE (VND)	OWNERSHIP PERCENTAGE	NUMBER OF SHAREHOLDERS
I	State shareholders	31,512,924	315,129,240,000	39.99%	1
II	Domestic shareholders	47,286,876	472,868,760,000	60.01%	425
-	Individual	1,073,200	10,732,000,000	1.36%	418
-	Organization	46,213,676	462,136,760,000	58.65%	7
III	Foreign shareholders	200	2,000,000	0.00%	1
-	Individual	200	2,000,000	0.00%	1
-	Organization	0	0	0.00%	0
<b>Total (I+II+III)</b>		<b>78,800,000</b>	<b>788,000,000,000</b>	<b>100.00%</b>	<b>427</b>

## LIST OF MAJOR SHAREHOLDERS

Based on the latest shareholder list as of December 31, 2025

NO.	SHAREHOLDER NAME	CLASSIFICATION OF SHAREHOLDERS		NUMBER OF SHARES HELD	OWNERSHIP PERCENTAGE
		STATE SHAREHOLDER	MAJOR SHAREHOLDER		
1	State Capital Investment Corporation (SCIC)	x		31,512,924	39.99%
2	Thuy Anh Water Supply Sewerage Joint Stock Company		x	12,502,601	15.87%
3	Mesa Asia Pacific Trading Services Company Limited		x	10,735,182	13.62%
4	Golden Stream Joint Stock Company		x	9,000,000	11.42%
<b>Total</b>				<b>63,750,707</b>	<b>80.90%</b>



## ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT

### MATERIALS MANAGEMENT

**A**s a company operating in the field of water extraction and production, the company's input materials mainly come from groundwater and surface water sources such as rivers and streams. These resources are significantly affected by natural factors and climate change. During the dry season, water levels in many areas tend to decrease, while the rainy season often brings increased levels of impurities, silt, and pollutants, putting great pressure on water treatment operations.

Faced with these challenges, the company has continued to review and refine appropriate exploitation plans, while gradually applying technical solutions to optimize the treatment process and improve the efficiency of raw water use. In addition, a flexible water regulation and storage plan has been developed, contributing to ensuring a stable supply of clean water to meet the domestic and production needs of people in the area.

The monitoring of raw material inputs is carried out regularly in terms of both quantity and quality. The company proactively coordinates with relevant authorities in monitoring and assessing the current state of water resources, thereby proposing solutions for rational and sustainable use. At the same time, the use of water treatment chemicals such as alum, chlorine, soda, etc., is strictly controlled according to technical procedures and adjusted flexibly according to intended use to minimize potential environmental risks.

### COMPLY WITH ENVIRONMENTAL PROTECTION LAWS

**I**n 2025, strict adherence to environmental protection regulations has continued to be a core operating principle of LAWACO. The company has proactively coordinated with state management agencies to review reserves and make timely adjustments and additions to exploitation permits for water supply projects, ensuring that all exploitation activities remain within the permitted legal framework.

Annually, all affiliated plants submit periodic reports on water resource exploitation and utilization in accordance with current regulations. Simultaneously, regular inspections and updates of water quality management records are maintained to ensure stable and safe system operation. By the end of 2025, 100% of the Company's clean water production plants have been licensed for water resource exploitation and utilization, affirming LAWACO's strong commitment to upholding the law and sustainable development.

Furthermore, the company continues to strictly implement groundwater exploitation monitoring in accordance with Circular No. 17/2021/TT-BTNMT of the Ministry of Natural Resources and Environment. Through the automated monitoring system at groundwater extraction facilities, data is continuously updated and accurately transmitted to the Department of Natural Resources and Environment. These efforts not only enhance transparency in governance but also help the company optimize the efficient use of valuable water resources in the long term.

# ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT

## ENERGY CONSUMPTION

The company continues to identify energy conservation and efficiency as a key solution to optimize operating costs while minimizing environmental impact during its operations.

In 2025, the company primarily used electricity and petroleum fuels to operate its pumping systems, water treatment equipment, production vehicles, and lighting in factories and offices. To improve energy efficiency, the company continues to implement energy-saving measures such as replacing lighting systems with LED lights, optimizing equipment operating times, and establishing energy consumption standards for each production stage. In addition, the company is gradually reviewing and replacing old, energy-intensive equipment with modern, higher-efficiency machinery. Alongside these technical solutions, regular awareness campaigns on energy conservation among employees are also maintained, contributing to the formation of a culture of efficient energy use throughout the enterprise.

Through these efforts, the company not only effectively controls production costs but also gradually affirms its environmentally friendly development orientation, in line with the trend of sustainable energy transition.

## WATER CONSUMPTION

As a leading enterprise in the field of clean water supply in Lam Dong province, LAWACO is always clearly aware of its responsibility in managing, using, and protecting water resources – an essential resource for social life and the long-term development of the locality.

In 2025, the company has continued to strengthen the inspection and monitoring of the water distribution pipeline system to promptly detect and handle leaks and ruptures, thereby minimizing the loss of clean water during operation. Technical and management measures will be implemented synchronously to improve the efficiency of water exploitation and use. Simultaneously, the company will also promote public awareness campaigns and guide people on using water economically, efficiently, and appropriately through various communication channels. Through these programs, LAWACO not only contributes to raising community awareness but also spreads the message of protecting water resources – a shared responsibility of the entire society. Furthermore, the company has proactively coordinated with relevant authorities in disseminating legal regulations on resources and the environment, aiming to build a community of responsible water users and contribute to protecting water resources for present and future generations.



# ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT



## POLICIES RELATED TO WORKERS

### Number of workers, average income:

- Current number of employees: 363.
- Average income: 18.196 million VND/person/month.

### Labor policy aimed at ensuring the health, safety, and well-being of employees:

LAWACO places labor policy at the heart of its sustainable development strategy, constantly striving to ensure optimal health, safety, and welfare benefits. The company is committed to creating a professional and friendly working environment, while implementing many practical programs to improve the material and spiritual well-being of all employees.

### Social Insurance and Welfare Policy:

- Signed life insurance contracts for 363 employees, totaling 52.152 million VND.
- Pay insurance premiums:
  - Social insurance: 8,892 million VND.
  - Health insurance: 1,601 million VND.
  - Unemployment insurance: 0.711 million VND.
  - Occupational Accident and Disease Insurance: 0.177 million VND.
- Processing sick leave, maternity leave, and convalescence benefits: 45 cases.
- Resolved comprehensive insurance claims for 20 cases.



## POLICIES RELATED TO WORKERS

### Employee Care and Support Program:

- Implementing retirement benefits: 15 cases; visiting officials, employees, and their relatives: 61 cases; distributing Tet gifts for employees and those who have retired or reached retirement age.
- Organize influenza vaccinations and regular health check-ups for staff and employees.

### Salary and Benefits Policy:

- Salary increases for indirect labor: 17 cases; salary scale/table changes: 6 cases.
- Proposals: Adjusting the productivity coefficient for drivers, providing holiday support for leaders, adjusting the applicable regional minimum wage, adjusting the salary scale for 2026, and adjusting the allowances for team leaders/deputy team leaders.

### Occupational safety and health, fire prevention and control:

- Develop a plan for implementing the 2025 Occupational Safety and Health Action Month in accordance with the plan of the Lam Dong Provincial Center for Disease Control.
- Conduct periodic inspections of occupational safety and fire prevention at the Company's affiliated units every six months.
- Conduct periodic inspections of equipment with strict occupational safety requirements (hoists, cranes, compressed air tanks, etc.)
- Providing tools, measuring equipment, protective clothing, and uniforms for all employees and workers in the company.
- Firefighting drill (October 2025).



# ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT

## POLICIES RELATED TO WORKERS

### Employee training activities:

LAWACO continues to identify human resource development as one of the key pillars in its sustainable development strategy. Given the rapid changes in the labor market and the increasingly high demands for expertise, skills, and professional responsibility, the company always focuses on improving the quality of its workforce through training programs tailored to practical operations. Training activities concentrate on updating professional knowledge, enhancing management capabilities, system operation skills, and workplace safety, contributing to helping employees meet the job requirements in each position effectively.

## THE REPORT RELATES TO RESPONSIBILITY TOWARDS THE LOCAL COMMUNITY

Throughout its operations, LAWACO has always emphasized its role and responsibility towards the local community. Besides its core mission of providing a stable and reliable supply of clean, high-quality water to the people, the company actively implements many activities aimed at social benefit and sustainable development.

LAWACO continues to create stable jobs for the local workforce, contributing to improved income and enhanced socio-economic living standards. The company focuses on building a safe and professional working environment, while fully implementing welfare benefits to ensure the legitimate rights of employees. Through regular training, skills development, and professional coaching programs, the staff is given opportunities to improve their skills and develop their capabilities in the long term.

In addition, LAWACO regularly collaborates with local authorities and relevant organizations to implement community support activities, especially in ensuring access to clean water for people in disadvantaged areas, particularly during the dry season or when natural disasters occur. The company also promotes public awareness campaigns on water conservation and water resource protection.

In addition to social welfare activities, LAWACO continues to participate in environmental protection programs such as planting trees, preserving landscapes, and contributing to improving the quality of life in Da Lat city, thereby affirming the role of the enterprise in harmonious integration with the local community.

### Environmental permit:

- An environmental permit has been granted for the Madagouoi Water Supply Station under Decision No. 10/GPMT-UBND dated January 20, 2025.
- An environmental permit has been granted for the Dam Ri Water Supply Station according to Decision No. 11/GPMT-UBND dated January 20, 2025.
- Completed trial operation of the industrial wastewater treatment system and the domestic wastewater treatment system for the Madagouoi Water Supply Station and the Dam Ri Water Supply Station.
- Environmental permit has been granted to Bao Lam Water Plant according to Decision No. 08/GPMT-UBND dated June 27, 2025.

### Water extraction permit:

- We are coordinating with a consulting firm to prepare supplementary documents for the water supply project at Loc Thang Lake, proposing a change in the raw water source from groundwater extraction to surface water extraction for the Bao Lam Water Plant. The documents are currently awaiting assessment by the Lam Dong Provincial Department of Agriculture and Environment.
- The water extraction license for the Dam Rong Water Plant has been renewed and adjusted: Extraction license No. 14/GP-UBND dated August 20, 2025.
- Groundwater extraction permits have been granted for well No. 7 and the cluster of wells No. 3, 6, and 8 – Bao Lam Water Treatment Plant, according to Decision No. 16/GP-UBND dated January 23, 2025 and Decision No. 20/GP-UBND dated February 10, 2025;
- The water extraction permit for Dinh Van water supply station has been renewed under permit number 108/GP-UBND dated December 9, 2025.
- We are currently coordinating with consultants to prepare the application for renewing the water extraction license for the Dankia Water Plant, the Da Teh Water Plant, and for Wells 04 and 05 of the Bao Lam Water Plant.



## REPORT RELATED TO GREEN CAPITAL MARKET ACTIVITIES AS GUIDED BY THE STATE SECURITIES COMMISSION

In 2025, the Company has not yet engaged in activities related to the green capital market. However, LAWACO continues to closely monitor the State Securities Commission of Vietnam's guidelines and policies on green finance and sustainable development, and is ready to research and participate when specific guidance is available and appropriate to the actual conditions.



**03**

## **REPORT AND EVALUATION OF THE BOARD OF MANAGEMENT**

- 1. Evaluation of production and  
business performance results**
- 2. Financial situation**
- 3. Improvements in organizational  
structure, policies, and management**
- 4. Future development plan**
- 5. Report on environmental and social  
responsibility assessment**

# EVALUATION OF PRODUCTION AND BUSINESS PERFORMANCE RESULTS

## OVERVIEW OF THE COMPANY'S OPERATIONS IN 2025

NO.	INDICATOR	UNIT	PLAN 2025	ACTUAL 2025	ACTUAL 2025/PLAN 2025 (%)	ACTUAL 2024	ACTUAL 2025/ACTUAL 2024 (%)
1	<b>Production water</b>	<b>1,000 m3</b>	<b>27,093</b>	<b>26,379</b>	<b>97.36</b>	<b>26,691</b>	<b>98.83</b>
	Company Water	1,000 m3	14,683	16,613	113.14	16,329	101.74
	Buy water SG-DanKia	1,000 m3	10,950	9,766	89.19	10,362	94.25
	Buy Tuyen Lam water	1,000 m3	1,460	-	-	-	-
2	<b>Revenue recorded</b>	<b>1,000 m3</b>	<b>22,487</b>	<b>21,895</b>	<b>97.36</b>	<b>21,902</b>	<b>99.97</b>
3	<b>Loss rate</b>	<b>%</b>	<b>17.00</b>	<b>17.00</b>	<b>100.00</b>	<b>17.94</b>	<b>94.76</b>
4	<b>Customer development</b>	<b>household</b>	<b>3,100</b>	<b>3,705</b>	<b>119.52</b>	<b>3,727</b>	<b>99.41</b>
5	<b>Total revenue</b>	<b>Million VND</b>	<b>368,411</b>	<b>367,617</b>	<b>99.78</b>	<b>389,627</b>	<b>94.35</b>
5.1	Revenue from production and business operations	Million VND	328,314	319,622	97.35	319,686	99.98
	Supply of clean water	Million VND	299,202	288,984	96.58	291,335	99.19
	Construction and installation of water supply systems.	Million VND	8,042	10,327	128.41	7,809	132.24
	Wastewater treatment	Million VND	19,831	19,351	97.58	19,315	100.19
	Other	Million VND	1,239	960,04	77.49	1,227	78.25
5.2	Financial operating revenue	Million VND	39,471	47,632	120.68	69,321	68.71
5.3	Other operating revenue	Million VND	625	364	58.17	619	58.71

NO.	INDICATOR	UNIT	PLAN 2025	ACTUAL 2025	ACTUAL 2025/PLAN 2025 (%)	ACTUAL 2024	ACTUAL 2025/ACTUAL 2024 (%)
6	<b>Average selling price</b>	<b>VND/m3</b>	<b>13,305</b>	<b>13,199</b>	<b>99.20</b>	<b>13,302</b>	<b>99.22</b>
7	Total number of employees	People	-	363	-	369	97.84
8	Average income	Million VND	-	18,196	-	16,465	110.51
9	<b>Total profit before tax</b>	<b>Million VND</b>	<b>95,136</b>	<b>100,773</b>	<b>105.93</b>	<b>124,672</b>	<b>80.83</b>
10	Net profit after tax	Million VND	-	80,369	-	99,702	80.61

\* Note:

- Revenue of water production, average selling price are calculated before tax.

In 2025, the Company continued to implement its production and business tasks according to the Shareholders' General Meeting Resolution amidst many challenging market factors, yet still completed and exceeded key targets. Pre-tax profit reached 100,773 million VND, equivalent to 105.93% of the annual plan; after-tax profit reached 80,369 million VND. Although profit decreased compared to 2024 due to the previous year's significant increase in financial revenue from divestment activities in affiliated companies, the 2025 results still reflect the effective management and cost control of the Board of Management. Recorded water output reached 21,895 thousand m<sup>3</sup>, basically equivalent to the previous year; water loss rate was maintained at 17.00% as planned; customer development reached 3,705 households, exceeding the set plan by 19.52%, contributing to stable revenue sources. These results provide an important foundation for the Company to strengthen its operational efficiency and aim for sustainable growth in the coming years.

# EVALUATION OF PRODUCTION AND BUSINESS PERFORMANCE RESULTS

## OVERVIEW OF THE COMPANY'S OPERATIONS IN 2025



### ADVANTAGES

In 2025, the company's production and business activities has continued to benefit from many favorable factors, creating a foundation for maintaining stable water supply in the managed area.



Management and operations are becoming increasingly proactive and flexible; the role of the Board of Directors and the Board of Management continues to be clearly demonstrated in guiding, directing, and organizing the implementation of production and business plans.



Thanks to the attention of the Board of Management and the grassroots Trade Union, in 2025 employees received regular health check-ups, went on sightseeing trips and participated in activities celebrating major holidays (International Women's Day; April 30th and May 1st; International Children's Day; September 2nd, etc.); visited families and rewarded children of employees who achieved good academic results, contributing to improving the morale and physical well-being of employees in the Office block and the entire Company.



The workforce at water production units, network operations departments, and pipeline repair teams is relatively well-equipped with personnel and resources, contributing to the timely handling of incidents and minimizing disruptions in water supply.



The company continues to pay special attention to the quality of clean water, implementing controls in accordance with current state regulations and standards, ensuring safety for users and preventing risks related to hygiene and disease outbreaks from the water source.



Information coordination between the company and customers is constantly improving. Areas at risk of low water pressure or water shortages are notified promptly, helping people proactively store and use water efficiently, thereby reducing pressure on the water supply system during peak hours.



Water supply zoning continues to be implemented effectively, prioritizing water supply to central areas and key locations. The company also advises customers to store water overnight to meet daytime needs, contributing to stabilizing network pressure.



Throughout the year, the water supply system did not record any major pipeline ruptures; minor incidents occurring in branch pipes were promptly handled by relevant units, ensuring continuous water supply.



The supply of clean water to Da Lat city has been gradually strengthened and stabilized, basically meeting the water needs of the people, especially during peak periods such as holidays and Tet (Lunar New Year).



Internal solidarity, consensus among the workforce, and a team of experienced and highly competent staff continue to be crucial factors in helping the company maintain operational efficiency and implement its long-term development strategies.



### DIFFICULTIES

Despite the aforementioned advantages, the company's business operations in 2025 still face many difficulties and challenges specific to the water supply industry.

#### REGARDING WATER SOURCES

- Water extraction volume is heavily dependent on natural factors, with raw water production short during the dry season; at the same time, the quality of raw water in some areas deteriorates, making treatment and system operation difficult and increasing chemical consumption.
- Specifically, the D'ran (Don Duong) water supply station frequently experiences water shortages during the dry season; the quality of raw water at the Dankia, Da Thien water treatment plants and the Dinh Van, Madaguoi water supply stations has decreased; and groundwater reserves at the Bao Lam water plant have declined over time, leading to localized water shortages.

#### REGARDING WATER SUPPLY AND INFRASTRUCTURE MANAGEMENT

- The water treatment plants and water supply stations under the company's management are located in many communes, far from the company headquarters, making it difficult to update information, conduct on-site inspections, monitor operations, and track work progress.
- The pipeline network and equipment in many areas are old and degraded, leading to leaks and ruptures, affecting safe and continuous operation.
- Many pipelines, installed a long time ago, have been buried or lost after numerous upgrades and road improvements, along with some equipment, making management, maintenance, repair, and fault location difficult.
- The impact of adverse weather conditions such as heavy rain and landslides affects the safety of water supply pipelines and water quality, increasing risks in system operation.
- Repair and upgrade work on transportation infrastructure frequently results in pipeline ruptures, affecting water supply and efforts to reduce water loss.

#### REGARDING LEGAL AND ADMINISTRATIVE ASPECTS

- The licensed extraction volume does not correspond to the actual seasonal demand; when extraction volume decreases, the company still has to pay licensing fees based on the licensed capacity, while when demand increases, exceeding the permitted extraction level risks penalties, reducing the company's proactive approach to production management.
- Changes in mining license fees and the updating and notification process by the management agency are slow, leading to discrepancies between the announced amount to be paid and the actual mining situation.
- Land-related issues, such as changes in land use or leasing in locations not conforming to planning regulations, require waiting for the management agency to update the planning, resulting in lengthy processing times spanning many years and impacting project implementation progress.

# EVALUATION OF PRODUCTION AND BUSINESS PERFORMANCE RESULTS

## OVERVIEW OF THE COMPANY'S OPERATIONS IN 2025



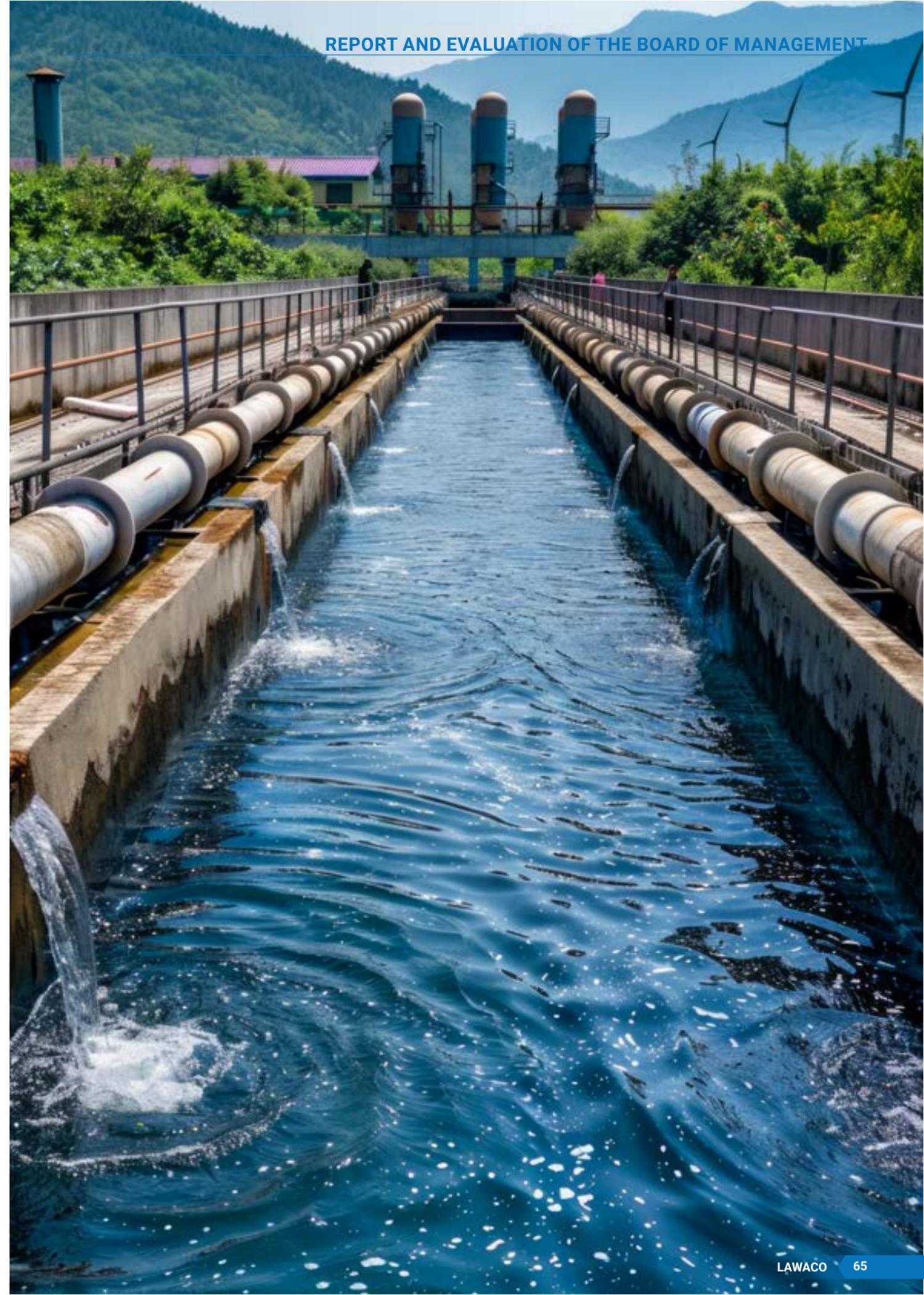
### DIFFICULTIES

#### REGARDING LEGAL AND ADMINISTRATIVE ASPECTS

- The transition of the two-tiered administrative system, with some management functions being transferred from the city level to the ward/commune level, has created many difficulties in administrative procedures:
  1. Previously, the procedure for obtaining road excavation permits was handled quickly by the City Urban Management Department, but it has now been decentralized to the ward/commune level; the newly appointed staff have resulted in slower processing times, prolonging construction time for customers.
  2. The licensing process for mining operations is facing difficulties due to discrepancies in the names of some factories or their unclear representation in the provincial planning; project documents, when implemented in practice, contain different information from the initial approval, causing difficulties in assessment and license renewal.
  3. Land procedures during the transition period of authority are still pending; before June 30, 2025, they were handled by the Department of Agriculture and Environment, but from July 1, 2025, they will be received by the ward/commune, leading to delays in the processing of the Company's application.
  4. Changes in policies and regulations, along with dependence on state management agencies for investment approval and construction permits, have prevented the implementation of many projects, such as: the D600 transmission pipeline from Dan Kia Water Plant to Tung Lam reservoir; the Lamella sedimentation tank with a capacity of 10,000 m<sup>3</sup>/day at Dan Kia Water Plant; the conversion of water sources for Bao Lam Water Plant from groundwater to surface water from Loc Thang Lake; and the D125 HDPE pipeline from Ta Nung to Nam Ban.

#### REGARDING WATER BILL COLLECTION

- The merger of state administrative agencies and the consolidation of provinces have resulted in changes to the names of units, seals, and tax identification numbers of customers, making it difficult to verify and recover outstanding debts.
- A segment of the predominantly agricultural, elderly customer base is not ready for or refuses to adopt cashless payment methods such as banking or e-wallets, affecting the progress of water bill collection.



# Financial situation

## ASSET SITUATION

Unit: Million VND

INDICATOR	31/12/2024		31/12/2025		% INCREASE/ DECREASE
	VALUE	PROPORTION	VALUE	PROPORTION	
Current assets	89,888	7.50%	98,516	8.35%	+9.60%
Non-current assets	1,107,938	92.50%	1,081,165	91.65%	-2.42%
<b>Total assets</b>	<b>1,197,826</b>	<b>100.00%</b>	<b>1,179,681</b>	<b>100.00%</b>	<b>-1.51%</b>

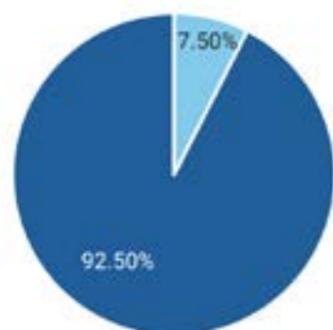
As of December 31, 2025, the Company's total assets reached 1,179,681 million VND, a slight decrease of 1.51% compared to the end of 2024. This adjustment mainly reflects the restructuring of the asset portfolio towards a cautious and sustainable approach, given that the Company did not undertake any large-scale investment projects during the year.

In terms of structure, non-current assets continue to account for the majority, reaching 1,081,165 million VND, equivalent to 91.65% of total assets. Maintaining a high proportion of non-current assets reflects a stable development orientation, linked to the specific characteristics of water supply infrastructure investment – a sector requiring large capital and long payback periods. Compared to the beginning of the year, non-current assets decreased by 2.42%, mainly due to depreciation of tangible fixed assets, while the Company did not incur any large-scale new investments during the period. Meanwhile, short-term assets recorded a positive improvement trend, reaching 98,516 million VND, an increase of 9.60% compared to 2024, and simultaneously raising their proportion from 7.50% to 8.35% of total assets. This increase

mainly comes from cash equivalents and short-term receivables, reflecting the stable scale of operations.

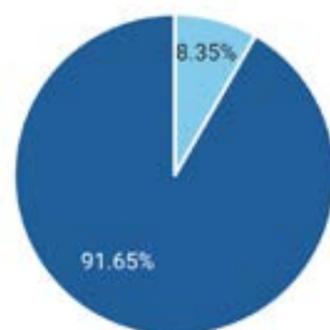
The company's asset structure in 2025 generally remained stable, indicating that its financial status had entered a stable phase following the portfolio reclassification process carried out in 2024. Long-term financial investments, fixed assets, and technical infrastructure continued to play a core role in total assets, consistent with the non-current development strategy of the water supply industry. Notably, the slight decrease in total assets during the year did not reflect a decline in financial capacity, but mainly stemmed from accounting technical factors such as depreciation, while liquidity, working capital management efficiency, and financial safety continued to be strengthened. This shows that the company is prioritizing asset quality optimization over expansion at all costs, thereby creating a solid financial foundation for future investment and development plans.

2024 Asset Proportion



• Current assets • Non-current assets

2025 Asset Proportion



• Current assets • Non-current assets

## LIABILITIES SITUATION

Unit: Million VND

INDICATOR	31/12/2024		31/12/2025		% INCREASE/ DECREASE
	VALUE	PROPORTION	VALUE	PROPORTION	
Current liabilities	67,129	29.30%	69,276	33.23%	+3.20%
Long-term liabilities	161,987	70.70%	139,210	66.77%	-14.06%
<b>Total liabilities</b>	<b>229,116</b>	<b>100.00%</b>	<b>208,486</b>	<b>100.00%</b>	<b>-9.00%</b>

As of December 31, 2025, the Company's total liabilities amounted to 208,486 million VND, a decrease of 9.00% compared to the end of 2024. This development reflects a proactive approach to reducing debt, consistent with the Company's pursuit of safe and sustainable financial management.

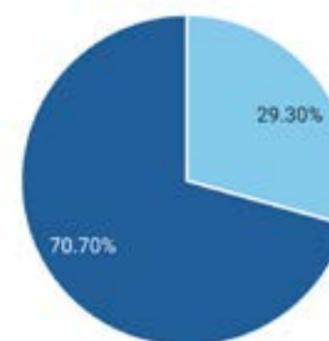
In terms of structure, long-term liabilities continues to account for the majority, reaching 139,210 million VND, equivalent to 66.77% of total liabilities, while current liabilities accounts for 33.23%, with a value of 69,276 million VND. Compared to the beginning of the year, the proportion of long-term liabilities tends to decrease, while current liabilities increases slightly, bringing the debt structure to a more reasonable level between short-term and long-term liabilities, with a ratio of approximately 1:2.

Regarding current liabilities, the 3.20% increase compared to the beginning of the period is mainly structural and does not create significant financial pressure. At the end of the year, short-term loans and financial leases remained the largest item, unchanged from the beginning of the period. This is a loan from the World Bank, used to finance two water supply projects in Lam Dong and Da Lat, projects of significant im-

portance for ensuring water security and urban infrastructure development in the province. Regarding long-term liabilities, the balance as of December 31, 2025 decreased sharply by 22,777 million VND, corresponding to a decrease of 14.06% compared to the end of 2024. The main reason for this is the Company's timely repayment of principal according to the committed schedule for the World Bank loan. The continued reduction in long-term liabilities not only contributes to easing financial pressure in the medium and long term, but also demonstrates the company's stable cash flow capacity and high financial discipline.

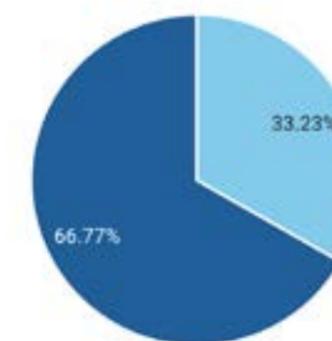
Overall, in 2025, the Company's debt structure improved, gradually reducing its reliance on borrowing, especially long-term liabilities, while maintaining preferential loans for essential water supply projects. Effective debt management, combined with reasonable interest expenses, contributed to strengthening financial stability and creating favorable conditions for the Company to implement its investment and development plans.

2024 Liabilities Proportion



• Current liabilities • Long-term liabilities

2025 Liabilities Proportion



• Current liabilities • Long-term liabilities

# IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

## MANAGEMENT AND OPERATION OF WATER PRODUCTION

### NETWORK MANAGEMENT AND OPERATION

In 2025, the company has continued to proactively and flexibly manage and operate the production and distribution of clean water to best meet the needs of customers in the area, especially in Da Lat city – an area with high water consumption and seasonal fluctuations due to tourism. Coordination between the plants and network operators will be implemented synchronously, with regular adjustments to capacity according to actual demand, thereby ensuring stable, safe, and continuous water supply.



The Technical Department, in coordination with other units, conducted a review of the pipeline system's current status, proposed improvements to old pipelines, addressed areas with weak water pressure, and implemented connections to increase water supply and optimize pressure regulation across the network. Although localized water shortages still occurred at some disadvantaged points due to the terrain and network structure, the company promptly implemented technical solutions and resource allocation, resulting in significant improvements in weak and insufficient water supply in many areas, and ensuring the quality of the supplied water continues to meet regulations.

Customer care and support have been enhanced with a 24/7 information reception and incident handling mechanism. During the year, the company received and processed 1,960 complaints related to cloudy water, weak water pressure, broken pipes, and other technical issues; and carried out 2,898 water shut-offs and on-offs for timely repairs and maintenance, contributing to minimizing water supply disruptions. Information regarding areas at risk of water shortages during peak hours or infrastructure construction is also provided fully and transparently, helping residents proactively plan their daily activities.

### SCADA SYSTEM



Throughout the year, the company continued to renovate and improve the SCADA system at the reservoirs, inspect and rectify any errors, address outstanding issues with electrical cabinets and electronic meters at the DMA clusters, and conduct inspections as required. The company coordinated with various departments/units in dismantling, relocating, and installing DMAs, while also maintaining servers and surveillance camera systems at the reservoir clusters. In addition, the company planned and implemented the replacement of the inner tanks at Mong Mo and Thai Phien, and monitoring and evaluation showed that the system operated stably and efficiently. Simultaneously, the company also deployed and tested measuring equipment and dataloggers, and researched options for upgrading the DMAs to ensure stable monitoring system operation in the context of the outdated 2G transmission infrastructure.

### WATER LOSS PREVENTION EFFORTS

The company-wide loss rate is 17% (meeting the 2025 plan, and a decrease of 0.94% compared to the same period in 2024). Some plants have not met the internal loss target due to increased filter washing water volume and the impact of source water quality (Dan Kia Water Plant's internal loss rate is the same as in 2024).



### TECHNICAL MANAGEMENT



In 2025, the Company continued to closely coordinate with its member units in the maintenance and upkeep of machinery and equipment in accordance with regulations, aiming to minimize technical incidents during operation. At the same time, the Company reviewed and replaced damaged or outdated equipment, gradually applying new machinery and equipment to improve operational efficiency and system stability.

### CONSTRUCTION AND INFORMATION TECHNOLOGY MANAGEMENT

The management of capital construction investment is implemented synchronously and strictly adheres to current regulations. The company assigns tasks to departments and units through Work Assignment Forms and Contract Forms to prepare, appraise, and approve design and cost estimate documents, tender documents, and contractor selection results, while also organizing construction, supervision, and acceptance to ensure project progress and quality. During the year, 362 Work Assignment Forms and 373 Contract Forms were issued; 68 survey, design, and cost estimate documents (including planned and unplanned projects) were prepared; 100 road excavation permit applications were submitted; 82 appraisal reports were completed; 98 decisions approving and accepting completed projects were issued; and 356 projects were put into use and settled. Inspection, monitoring, repair, and maintenance of equipment were carried out regularly; degraded water supply pipelines were reviewed, and timely renovations were proposed to ensure safety and operational efficiency.



Simultaneously, information technology work continues to be prioritized with regular maintenance, repair, replacement, and upgrading of equipment, and timely troubleshooting to ensure continuous and stable system operation. The company collaborates with partners to handle and upgrade outsourced software (Wasspro, iOffice V5, electronic invoices, website, etc.), while also maintaining and improving internal software serving production and business management. The accounting software system is also upgraded and adjusted according to Circular 99/2025/TT-BTC to ensure compliance with legal regulations. In addition, website content management is regularly maintained, ensuring that information, documents, and news are updated promptly and accurately, effectively serving the company's operations and communication.

# IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

## SERVICE QUALITY MANAGEMENT AND WATER PRODUCT QUALITY MANAGEMENT

Water bill collection is carried out according to schedule, ensuring full and accurate recording, and promptly reflecting any unusual signs on the system. Customer management units coordinate with the Water Meter Management Enterprise to monitor meter readings during meter cleaning, replacement, and verification, while also sending notifications and suspending service as per regulations for cases of bad debts or prolonged water non-use. The company maintains customer information reception through multiple channels such as Zalo, the one-stop service department, the Regulations Inspection Team, the Water Meter Management Enterprise, etc., thereby quickly forwarding it to relevant units for timely processing. In addition, the company continues to encourage customers to use cashless payment methods, expand electronic invoices, billing software, and non-traditional payment channels. The rate of bank transfer payments reached approximately 40% by monetary value (an increase of 3–4% compared to the same period in 2024), and the simultaneous recording of revenue collection reached 23% by invoice number and 13% by monetary value of the total number of invoices issued, contributing to improved control efficiency and business performance.

In its production operations, the factories always prioritize water quality assurance, fully complying with quality control procedures as stipulated by the Company, the Ministry of Health, and Decision No. 43/2023/QĐ-UBND dated August 18, 2023, of the Lam Dong Provincial People's Committee on promulgating local technical standards for clean water quality for domestic use in the province. The use of raw materials and fuels is rational and economical. The Company has organized pe-

riodic and unscheduled analysis of water supply and wastewater samples according to approved plans, and has coordinated with state management agencies (Ministry of Health, Tay Nguyen Institute of Epidemiology, Department of Health, Center for Preventive Medicine) to conduct external inspections at water treatment plants in accordance with legal regulations, ensuring that the output water quality meets requirements.

The results of water quality parameter tests during the reporting period are stored in the Company's Laboratory and include the following samples:

- Analysis of water supply samples - Group A indicators: 849 samples;
- Analysis of water samples - Group B indicators: 141 samples;
- Analysis of wastewater samples: 3,441 samples;
- Analysis of raw water samples from factories: 224 samples;
- Analysis of unscheduled samples: 75 samples;
- Analysis of wastewater samples at the wastewater management plant: 2,547 samples;
- Analysis of wastewater samples from the General Hospital: 130 samples;
- Coordinate the monitoring of crude and finished samples from well No. 07 water plant Bao Lam.
- Monitor the nitrate and ammonia levels at the Tan Ha Water Supply Station.

## ORGANIZATION AND HUMAN RESOURCE MANAGEMENT

As of December 31, 2025, the company has a total workforce of 363 employees, including 261 men and 102 women. Specifically: In 2025, there were 10 new contract signings and 20 contract renewals; 23 fixed-term contracts and 340 indefinite-term

contracts. 14 employees retired or reached retirement age; 3 employees resigned; and 0 employees passed away. There were 5 personnel reassignment decisions and 9 personnel appointment decisions.



## WASTEWATER TREATMENT

- Fully manage and operate all stages of wastewater treatment.

- Regular cleaning of Phase I and II tanks: cleaning the sand settling chamber twice a week; cleaning the double-shell settling tank twice a week; clearing clogged sludge discharge pipes; cleaning the inlet; cleaning the distribution pit of the double-shell settling tank in Phase II; clearing clogged pipes when blocked; cleaning the rotary cage trash collector; air vents; cleaning the high-load biological filter tank once a week; cleaning the secondary settling tank once a week; clearing clogged sludge discharge valves of the double-shell settling tank, dredging sludge discharge manholes; cleaning ditches, factory grounds, and warehouses; mowing grass in the 7.5-hectare area, caring for greenery; cleaning the biological pond.

- Operating 14 pumping stations (Phase I: 8 stations, Phase II: 6 stations) and 1 main pumping station; periodically cleaning trash screens, pump sumps, and pumping stations; inspecting, maintaining, servicing, and repairing pumps, ma-

chinery, and equipment according to plan and on an ad hoc basis.

- Results: Average monthly flow rate: 9,405 m<sup>3</sup>/day; amount of wastewater treated in 2025: 3,399,909 m<sup>3</sup> (reaching 97.92% of the plan - 3,471,959 m<sup>3</sup>).

- Revenue from wastewater treatment services: 19.351 billion VND.

- The settlement of operating costs for the wastewater treatment system for 2025 has been completed, and preparations are underway to finalize the documentation for the termination of contract 36/HĐKT dated January 2, 2025.

- Carrying out the treatment of septic tank sludge from septic tank cleaning trucks; operating the hospital's pumping station (until April 15, 2025), and the slaughterhouse, contributing to environmental protection in the central area of Da Lat and increasing revenue for the Company.

# IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

## MANAGEMENT OF WATER METERS

- Conduct initial, periodic, and unscheduled inspections of mechanical and electronic water meters according to regulations (diameter 15÷100mm).
- The N64 seal is issued by the General Department of Metrology and Quality Control in accordance with regulations.
- Managing, maintaining, and servicing the DMA system in Da Lat.
- Verification and comparison with the Lam Dong Provincial Department of Standards, Metrology and Quality; periodic and requested inspections were carried out for the Company: 18,934 water meters (achieving 103.51% of the plan - 18,292 water meters).
- Unexpected work: On-site repairs (free of charge): 1,560 units; water meters reimbursement: 110 units; Inspection at customer's request: 123 units.
- Flushing the water meter to prevent water loss: Due to road repair and renovation work affecting water quality, the water meter may become damaged.



## REPAIR WORK ON THE WATER SUPPLY AND SEWERAGE NETWORK

Promptly repair any pipe bursts and underground leaks; the repair time must comply with the Company's regulations.

Construct the water supply and Sewerage system in accordance with the design and regulations.

- Total number of repair and unclogging cases: 3,378 cases, including: water supply pipe repairs: 3,294 cases; Sewerage pipe repairs: 484 cases.
- Prepared repair cost estimates for 1,775 cases according to company procedures.
- Total number of water cut-off requests approved by the Technical Inspection Team: 161 households.



## COMPANY-WIDE CUSTOMER DEVELOPMENT COST CALCULATION FOR BRANCH LINES IN 2025

### Company-wide customer application processing and information update

- Received 3,959 customer applications, including: new water supply system installation: 3,246 applications; new Sewerage system installation: 71 applications; other applications (renovation, relocation, opening/closing water supply, etc.): 642 applications.
- Contracts signed: 2,976 contracts (water supply: 2,923; Sewerage: 53).
- Adjustments: 1,812 customer records.
- Scanned 5,745 customer records.

### Client design and survey consulting services:

- Conduct design surveys for water supply and Sewerage systems serving the company's production and business operations, as well as the water supply and Sewerage connection needs of customers. Provide consulting services for the design and development of water supply and Sewerage systems for customers in accordance with the company's procedures.
- 3,642 water supply system installation applications and 70 wastewater connection applications have been processed (including applications carried over from 2024).
- Revenue from customer service for the year: 10,537 million VND.
  - + Revenue from water supply customer services: 10,240 million VND.
  - + Revenue from wastewater customer service: 298 million VND.

### Construction of the customer's branch pipe cost estimate:

- Customer development under Decree 117-CP: 2,735 projects, value: 3.639 billion VND (of which Da Lat area accounts for 2,302 projects - total value: 3.201 billion VND).
- Customer development under agreement: 4,126 clients, value: 9.355 billion VND (of which Da Lat area accounts for 3,319 clients - total value: 7.745 billion VND).
- Repair of water supply systems: 2,051 works, value: 1.514 billion VND (of which Da Lat area accounts for 1,902 works - total value: 1.321 billion VND).
- Sewerage system connection: 48 units - total value: 230 million VND (Da Lat area).
- Carry out timely repairs based on information about pipes and leaks from residents, customers, and the company's one-stop service department.

# IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

## INSPECTION OF REGULATIONS

Total number of customers to be inspected in 2025: 19,265 households.

- Number of households for which records were filed: 5,736 households (5,733 records have been processed).
- Sealing and recovery records: 265 records, amount of water recovered: 2,099 m<sup>3</sup>, value of sealed and recovered water: 52.376 million VND.
- Number of households checked and recorded as control groups: 13,529 households
- Handling customer complaints: 111 complaints.
- Records were made of water supply system ruptures: 2,038 cases (recorded water loss: 2,099 m<sup>3</sup>, value recovered: 46 million VND).
- Records of Sewerage system ruptures: 10 cases; other: 54 cases.
- Verification records: 1,891 customers (water cut off at source: 177 customers; Other records: 172 customers).
- Adjustment record: 1,460 customers.
- Inspection report: 172 customers.



## FINANCIAL MANAGEMENT

- Organize the recording of accounting data, promptly and fully reflecting the details of all types of revenue and expenses incurred in 2025 for the entire company, ensuring no material errors occur.
- Prepare reports on time, in compliance with accounting standards and applicable legal regulations.
- Digital transformation efforts have been strongly implemented, contributing to improved data processing efficiency and reduced errors in accounting.
- Effectively manage revenue and expenditure, ensuring transparency and efficiency in the use of capital. Maintain stable cash flow control to promptly meet production and business needs. Emphasis is placed on budget forecasting and balancing, enabling the Board of Management to proactively plan financial strategies.
- Closely coordinate with independent auditing firms to ensure objectivity and transparency; improve internal control processes to reduce financial risks; regularly compare and verify documents to ensure the validity and accuracy of data.
- Providing accounting data to the Company's Board of Supervisors; semi-annual and annual financial reports are reviewed by the Company's Board of Supervisors and an independent auditing firm as required.
- Develop a 2026 financial plan for each unit and the entire company; the plan will be revised and officially issued after the independently audited 2026 financial statements are approved by the 2026 Annual General Meeting of Shareholders.
- Conduct periodic asset and capital inventories every six months, control cash flow, and avoid financial shortfalls; proactively deposit idle funds in banks to increase financial income.
- Complete the declaration and payment of applicable taxes; avoid any outstanding tax debts. Pay retirement and termination benefits to employees promptly as per regulations.
- Coordinated with the Heads of the billing departments to promote water bill collection through banks, smartphone apps, and e-wallets (achieving a rate of 46%).
- Settlement of capital construction projects within the year on time; improve inventory management, warehousing and receiving procedures, and plan for the disposal of obsolete inventory during the company-wide inventory count.

# FUTURE DEVELOPMENT PLAN

## PRODUCTION AND BUSINESS ACTIVITIES IN 2026

NO.	INDICATOR	UNIT	PLAN 2026	PLAN 2026/ AC-TUAL 2025 (%)	GHI CHÚ
1	Production water	1,000 m3	26,717	101.28	
	Company Water	1,000 m3	14,307	86.12	
	Buy water SG-DanKia	1,000 m3	10,950	112.12	Document VB 7517/UBND-XD2 dated November 15, 2019, adjusts the water intake schedule of Dankia 2 Joint Stock Company: The plan for 2026 is 30,000 m3/day, with the purchase price increasing by 4% to 6,132 VND/m3.
	Buy Tuyen Lam water	1,000 m3	1,460	-	Tuyen Lam Water Supply Joint Stock Company terminated the clean water purchase and sale contract No. 56/HĐ-MBNS signed on November 5, 2021, on June 12, 2023.  The 2026 plan for Tuyen Lam Water Supply Joint Stock Company to purchase water is 4,000 m3/day.
2	Revenue recorded	1,000 m3	22,186	101.33	An increase of 1.2% compared to the performance in 2025.
3	Loss rate	%	17.00	100.00	Based on the results achieved in 2025.
4	Customer development	Household	3,600	97.17	According to the plan of each unit under the Company.
5	Revenue from production and business activities	Million VND	326,169	102.05	The projected revenue from clean water production in 2026 is expected to increase by 2% compared to 2025.
6	Average selling price	VND/m3	13,199	100.00	
7	Collection and treatment of domestic wastewater (in Da Lat City)	M3/day	3,489,400	102.60	An increase of 2.6% compared to the 2025 target.

## ANTI-LOSS MEASURES

### TARGET TO COMBAT LOSSES BY 2026

- Based on the water production and consumption results in 2025 and the socio-economic situation in the Da Lat area and its wards and communes, the proposed water loss rate is 17%.
- Reduce water loss from leaks and burst pipes: inspect and renovate old, deteriorated pipelines;
- Reducing commercial losses: monitoring and inspecting inaccurate water meters, detecting water fraud cases, and ensuring efficient recording and collection of water charges.

### PROPOSING SOLUTIONS TO COMBAT LOSSES IN 2026

#### 01 Identify and manage losses through DMA (Dimensional Management System)

- This is a traditional but most effective method, suitable for the human resource conditions at various units, through SCADA monitoring.
- Implement network segmentation by area and assign DMAs to each area; regularly record flow and pressure via SCADA; compare water supply volume with recorded consumption; immediately transfer the investigation team for inspection if any abnormal discrepancies are detected.

#### 02 Leakage and technical malfunction control

- Objective: To reduce losses (leaks, bursts, damage) caused by old, deteriorated, and degraded pipelines.
- Compile a list of old pipelines; identify areas prone to ruptures and high risk of landslides; analyze the current condition of the pipelines; detect and assess leaks; and propose renovation or replacement.
- Intensify regular maintenance and servicing of pipelines and equipment; strengthen on-site inspections.
- Monitor and coordinate with construction units working on upgraded and renovated transportation routes, minimizing instances of digging up and damaging pipes or burying equipment on the network.

#### 03 Water meter management

- Objective: To minimize commercial losses due to meter errors and prevent customer fraud.
- Compile a list of meters that have been in use for 5-7 years, conduct periodic checks for any recorded abnormal production; establish a close coordination process between the Technical Department, the metering team, and the Water Meter Management Enterprise.

#### 04 Fast and efficient troubleshooting process

- Purpose: To shorten the time for receiving and quickly handling incidents; reduce water loss and revenue loss; and minimize the impact on customers' daily lives.
- Establish and adhere to incident response procedures: receive information, locate the incident, isolate the affected area, and implement repairs as quickly as possible.
- Timely notification to customers affected by pipeline incidents so that people can proactively manage their daily lives.

#### 05 Assigning personal responsibility

- Reduce water loss directly impacts production and business efficiency, revenue, and employee income, while also contributing to enhancing the company's reputation and customer service capabilities.
- Strengthen coordination and enhance the sense of responsibility of organizations and individuals in the work of preventing losses.

## FUTURE DEVELOPMENT PLAN

### WATER QUALITY MANAGEMENT, HYDROMETER MANAGEMENT, AND REGULATORY INSPECTION

#### WATER QUALITY

Continue monitoring the quality of the water supply:

- Analysis of water quality for Group A parameters (once a month): 71 samples/month.
- Analysis of water quality for Group B indicators (once a month): 71 samples/month.
- Outsourcing to laboratories that do not meet the necessary analytical standards.
- Analysis of water samples at the Wastewater Management Plant: 3010 samples/year.

#### WATER METER MANAGEMENT

- Periodic inspections are conducted in accordance with the Law on Measurement.
- Inspect clocks that are malfunctioning, dim, or showing sudden changes in temperature.
- Check the quality of the technical data of the subordinate units.
- Inspection plan for 2026: 18,093 meters.

#### CHECK THE REGULATIONS

- Inspection of Regulations: Customer inspection plan for 2026: 20,228 households (a 5% increase compared to 2025).
- Inspect and promptly address any pipe and tank malfunctions, recover the full amount of lost water for its intended use, and flush the pipelines.
- Conduct verification of revenue collection routes using cross-checking; update customer lists to apply the correct pricing to groups and increase the average selling price.
- Coordinate with the recording and collection departments to prevent losses and replace damaged recording and collection equipment; compile and analyze recording and collection data to detect anomalies for inspection.
- Take strict action against construction units that affect the water supply/Sewerage system.

### NETWORK OPERATION AND MANAGEMENT

- Implement regularly, with a plan and specific task assignments.
- Effectively utilize the SCADA system to promptly warn and isolate abnormal occurrences.
- Evaluate the operational efficiency of water storage tanks and plan for replacement/renovation of the tank lining.
- Develop a network management plan to ensure water supply to customers and minimize areas that frequently experience low or no water supply.

### LAND MANAGEMENT, WATER RESOURCE MANAGEMENT, AND ENVIRONMENTAL PROTECTION

#### LAND MANAGEMENT

- Continue the land lease process at well locations No. 2, 3, 4, and 6 (Bao Lam Water Plant) and the raw water pumping station at Nam Ban Water Supply Station (Lam Ha Water Plant); proactively contact local authorities to complete the necessary documentation.
- Prepare documentation for adjusting the land area and boundaries at well No. 01 (Bao Lam) and Van Thanh basin in accordance with regulations.

#### WATER RESOURCE EXPLOITATION

- Prepare documentation requesting adjustments to the water extraction purpose at member water treatment plants.
- Prepare the application for renewal of the water extraction permit for Tan Ha and Madaguoi water supply stations; and Phat Chi water plant.

#### ENVIRONMENTAL WORK

- Develop and implement the company-wide environmental protection plan for 2026, ensuring that production is linked to environmental protection and compliance with laws on water resource exploitation and use.
- Conduct trial operation of the wastewater treatment system for Bao Lam Water Plant in accordance with environmental permit No. 08/GPMT-UBND dated June 27, 2025.

## FUTURE DEVELOPMENT PLAN

### MANAGEMENT AND OPERATION OF THE WASTEWATER COLLECTION AND TREATMENT SYSTEM

- Final settlement of the contract for the management and operation of the centralized wastewater collection and treatment system for the year 2025 with the owner's representative.
- The Wastewater Management Unit will coordinate with the Company's functional departments to prepare for the bidding process for the management and operation of the centralized domestic wastewater collection and treatment system in the Da Lat area, in accordance with regulations.
- Wastewater treatment output plan for 2026: 3,489,400 m<sup>3</sup> (an increase of 2.63% compared to the actual figure for 2025).

### MANAGEMENT AND INVESTMENT IN BASIC CONSTRUCTION PROJECTS

- Complete the acceptance and final settlement of projects carried over from 2025.
- Develop, implement, and monitor the progress of capital construction projects in 2026 after approval by the General Shareholders' Meeting: Develop detailed quarterly plans, assigning specific responsibilities to each construction unit.
- Tighten investment management: approve designs and cost estimates accurately from the outset, minimize adjustments; closely monitor progress and report monthly.
- Strengthen the renovation and upgrading of the water supply network: Continue to prioritize replacing old, deteriorated, and damaged pipe sections with modern HDPE pipes in areas with high water loss and water shortages.
- Invest in facilities at the plant, pumping station, and reservoir to ensure water supply capacity and provide backup in case of machinery failure.
- Actively coordinate with local authorities to quickly complete the procedures for granting construction and road excavation permits.
- Coordinate with the transportation sector to develop a synchronized construction plan (upgrading roads at the same time as replacing pipelines) to avoid multiple excavation and backfilling operations.

### ADMINISTRATIVE WORK AND OTHER TASKS

- Expected recruitment in 2026: 21 employees (replacing 7 retiring employees and filling 14 vacancies compared to the staffing plan).
- It is planned to upgrade the skills of approximately 47 workers; increase the salary grade for 18 indirect workers; provide occupational safety and hygiene training and first aid training for 363 workers; provide chemical safety training for 123 workers in operation and laboratory work; and provide other professional training as needed by departments/units.
- Estimated planned salary budget for 2026: 60.149 billion VND (employee salary fund: 57.796 billion VND, Board of Management salary fund: 2.353 billion VND) - a 3% increase compared to the 2025 plan.
- Organize periodic health check-ups; organize company trips and vacations; provide and measure uniforms and personal protective equipment for the entire company.
- Provided occupational safety and hygiene training and first aid to 144 people.
- Maintain the IT system; upgrade and improve the management software as needed to support the operations of the Department and its member units.
- Continue working with banking partners, smartphone payment applications, and e-wallets (ZaloPay, VNPT, FPT, etc.) to further diversify payment methods and reduce the use of cash.

### FINANCIAL WORK

- Continue to accelerate digital transformation, moving towards a comprehensive electronic accounting model.
- Enhance financial analysis capabilities to support development strategies.
- Enhance coordination with departments/units to optimize resources and improve management efficiency.

# REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITY ASSESSMENT

## ASSESSMENT RELATED TO ENVIRONMENTAL INDICATORS

In 2025, LAWACO continues to focus on environmental protection, considering it one of the important pillars in the company's sustainable development strategy. Through maintaining investment in technology, gradually improving operational processes, and enhancing resource efficiency, the company has proactively controlled and limited negative impacts on the environment during its production and business activities.

Simultaneously, environmental monitoring is carried out regularly and rigorously, contributing to ensuring that water extraction, treatment, and supply activities fully comply with current legal regulations. LAWACO also focuses on raising environmental awareness throughout the system through propaganda and guidance at its affiliated units.

During the year, the company implemented the following main environmental protection measures::

- Coordinate with the consulting unit to conduct periodic monitoring of the water supply environment at member water treatment plants and the wastewater environment at the Wastewater treatment plant.
- Organize the collection and treatment of hazardous waste at the Da Lat Water Plant and the Company's office in accordance with regulations.
- Fully implement environmental monitoring reports at member units.
- Prepare and report on the exploitation and use of water resources for the affiliated water treatment plants.



# REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITY ASSESSMENT

## ASSESSMENT RELATED TO EMPLOYEE ISSUES

The company continues to invest in training and professional development, creating opportunities for employees to participate in courses, workshops, and programs to enhance their professional skills, thereby contributing to improved work efficiency and the quality of the workforce.

The company's work environment is built on a foundation of unity, respect, and cooperation, creating conditions for employees to develop their abilities and proactively contribute ideas in the performance of their duties. Simultaneously, policies related to salaries, bonuses, and benefits continue to be maintained stably, ensuring the legitimate rights of employees.

During the year, the company reviewed, adjusted, and issued regulations, rules, and criteria for emulation and reward in accordance with the actual situation; at the same time, it determined the salary fund, established the reward fund and the welfare fund in accordance with regulations.

Furthermore, the Company's leadership always pays attention to and listens to the opinions and aspirations of the employees. Close cooperation with the grassroots Trade Union Executive Committee has contributed to building a stable, harmonious, and cohesive working environment. In 2025, the Company has continued maintaining activities such as visiting, supporting, and giving gifts to employees during holidays and Tet (Lunar New Year), thereby strengthening internal solidarity and creating long-term motivation for the staff.



## SOCIAL SECURITY – COMMUNITY DEVELOPMENT

Alongside the goal of improving production and business efficiency, LAWACO always considers social responsibility as an inseparable part of its sustainable development orientation. In 2025, in addition to ensuring safe and stable water supply to serve the lives of the people, the Company has continued actively participating in social welfare activities and support the community in Da Lat city and the surrounding area. Through practical social programs, along with maintaining stable employment for local workers, LAWACO has contributed to promoting socio-economic development in the area. At the same time, the Company always fulfills its financial obligations to the State fully and promptly, demonstrating a sense of responsibility and compliance in its business operations. With a development orientation that harmonizes economic benefits and social values, LAWACO not only focuses on building operational efficiency but also gradually affirms its role as a socially responsible enterprise, contributing to building a foundation for long-term sustainable development.



## THE GENERAL DIRECTOR'S EXPLANATION REGARDING THE AUDIT OPINION

The consolidated financial statements of Lam Dong Water Supply and Sewerage Joint Stock Company for the accounting period ending December 31, 2025, have been audited by International Auditing Company Limited - a member of AGN International. The auditors have concluded in full acceptance of these financial statements. Therefore, the Board of Management has no further comments.



**04**

## **ASSESSMENT OF THE BOARD OF DIRECTORS**

- 1. Assessment on the Company's operational aspects**
- 2. Board of Directors' assessment on the performance of the Company's Board of Management**
- 3. Board of Directors' plans and orientations**

# ASSESSMENT ON THE COMPANY'S OPERATIONAL ASPECTS

## STATUS OF ACHIEVING THE OPERATIONAL OBJECTIVES SET OUT IN THE SHAREHOLDERS' MEETING RESOLUTION

Unit: Million VND

NO.	INDICATOR	PLAN 2025	ACTUAL 2025	%ACTUAL 2025/ PLAN 2025
1	Total revenue	368,411	367,617	99.78%
2	Revenue from production and business operations	328,314	319,622	97.35%
3	Profit before tax	95,136	100,773	105.93%
4	Net profit after tax	-	80,369	-
5	Water loss rate	17.00%	17.00%	100.00%

In 2025, despite the volatile economic environment, periods of stagnation in water consumption in some areas, and slight adjustments in average water prices, LAWACO maintained stable production and business operations, essentially fulfilling the targets set by the General Shareholders' Meeting, with many key indicators showing positive results. Revenue from production and business operations reached 319,622 million VND, achieving 97.35% of the plan. Commercial water output reached 26.379 million m<sup>3</sup>, equivalent to 98.83% of the previous year, ensuring full satisfaction of the domestic and business needs of customers in the area. Notably, thanks to enhanced cost control, optimized operations, and improved financial management efficiency, pre-tax profit reached 100,773 million VND, exceeding the plan by 5.93%. Efforts to manage water loss continue to be emphasized, with a water loss rate of 17%, achieving the planned target and lower than the 2024 loss rate of 0.94%, demonstrating the significant efforts of the enterprise in saving water resources and improving business efficiency.

The Board of Directors highly appreciates the proactive and flexible approach of the Board of Management in organizing production, coordinating water resources, and controlling costs, which has helped the Company maintain stable revenue amidst many challenges, while exceeding the set profit target. This result shows that the focus on improving operational efficiency, optimizing internal management, and controlling water loss is appropriate and brings practical results. Ensuring safe and continuous water supply, improving customer service quality, and promoting the application of technology in management have further contributed to strengthening LAWACO's reputation and position in the area.

## STATUS OF CAPITAL CONSTRUCTION INVESTMENT IMPLEMENTATION IN 2025

CONTENT	ACCORDING TO THE CAPITAL CON- STRUCTION PLAN FOR 2025 (BILLION VND)	IMPLEMENTATION WILL CONTINUE UNTIL THE END OF DECEM- BER 2025. (BILLION VND)	PERCENTAGE COM- PARED TO THE PLAN (%)
Total investment cost for capital construction in 2025 (including uncompleted projects from 2024 carried over)	238.33	27.76	11.65
New investment category	212.78	7.03	3.30
Major repair items	17.87	4.48	25.09
Anti-loss category	7.68	1.29	16.82
Origin - Investment Company	-	14.68	-
Additional charges - paid by the Customer	-	0.28	-

### NEW INVESTMENT CATEGORY

Total number of projects: 48, of which 28 will be completed in 2025 and 20 will be carried over from 2024.

The total value of contracts/dispatches is 66.24 billion VND. The value already settled is 7.03 billion VND, and the value remaining uncompleted is 58.42 billion VND.

### MAJOR REPAIR WORKS

Total number of projects: 52, of which 27 are scheduled for 2025 and 25 are carried over from 2024.

The total value of the contracts/bids is 4.79 billion VND. The settled value is 4.79 billion VND, and the uncompleted value is 0 VND.

### PROJECTS AIMED AT PREVENTING LOSSES

The total number of projects in 2025 is 42.

The total value of the contracts/dispatches is 2.33 billion VND. The value already settled is 1.29 billion VND, and the value remaining uncompleted is 1.02 billion VND.

### ITEMS ARISING OUTSIDE THE 2025 CAPITAL CONSTRUCTION PLAN

The total value of the contracts/dispatches is 16.18 billion VND. The value already settled is 14.68 billion VND, and the value remaining uncompleted is 2.26 billion VND.

### PROJECTS FUNDED BY EXTERNAL SOURCES ARE PAID FOR BY THE CLIENT

The total value of the contract/dispatch is 0.28 billion VND. The settled value is 0.28 billion VND, and the uncompleted value is 0 VND.

# ASSESSMENT ON THE COMPANY'S OPERATIONAL ASPECTS

## BOD'S ASSESSMENT ON THE PERFORMANCE OF THE COMPANY'S BOARD OF MANAGEMENT

"Based on the Company Charter, the Internal Regulations on corporate governance, and the Regulations on operation of the Board of Directors, in 2025, the LAWACO Board of Directors fully performed its supervisory function over the operational activities of the General Director and the Board of Directors in organizing and implementing the business production plan as well as carrying out the resolutions of the General Meeting of Shareholders and the Board of Directors."

The Board of Directors acknowledges and highly appreciates the sense of responsibility, proactiveness, and efforts of the Board of Management in managing the Company's operations. In the context of production and business activities still being affected by many objective factors, the Board of Management has demonstrated flexibility in management, promptly providing appropriate solutions to overcome difficulties, while proactively taking advantage of favorable conditions to maintain operational stability and improve production and business efficiency. Specifically:

- The Chairman of the Board of Directors, members of the Board of Directors, and authorized representatives fully participated in the regular monthly, quarterly, and annual briefing meetings, thereby promptly grasping the actual situation and providing appropriate guidance to ensure the achievement of the production and business objectives approved by the Board of Directors.
- All proposals and recommendations submitted by the General Director to the Shareholders' General Meeting and the Board of Directors are thoroughly reviewed and discussed at the Board of Directors' meetings. After approval, resolutions and decisions are promptly forwarded to the General Director for implementation. During implementation, the General Director regularly reports on progress and results in writing, enabling the Board of Directors to monitor and supervise effectively.
- The General Director periodically reports to the Board of Directors on the financial situation, investments, and business operations for each period, and proposes operational directions for the next phase. Based on these reports, the Board of Directors has closely monitored the implementation of issued resolutions and decisions. For any unusual issues that arise, the General Director promptly reports them to the Board of Directors for consideration and guidance, contributing to risk mitigation and ensuring the stable and smooth operation of the Company.

## BOARD OF DIRECTORS' PLANS AND ORIENTATIONS

NO.	INDICATOR	UNIT OF MEASUREMENT	PLAN 2026
1	Total revenue	Million VND	364,770
2	Revenue from production and business operations	Million VND	323,939
3	Total profit before tax	Million VND	94,526
4	Total cost	Million VND	270,244
5	Total payroll	Million VND	59,886
6	Loss rate	%	17

**01-** Continue to improve the efficiency of production and business operations, striving to maintain an average annual growth rate of over 2.5% in commercial water output during the 2023–2028 period. Simultaneously, finalize and comprehensively implement solutions to combat water loss, aiming to reduce the average water loss rate by approximately 1% per year, bringing the NRW rate down to 15% by 2028.

**02-** In the field of wastewater treatment, LAWACO continues to fully fulfill its role and responsibilities in managing and operating the Wastewater treatment plant as ordered by the Da Lat City People's Committee, contributing to environmental protection and sustainable urban development.

**03-** Manage and utilize existing capital effectively, develop investment plans according to a suitable roadmap, prioritize the goal of ensuring water supply to meet the socio-economic development needs of the locality, maintain reasonable water prices within the affordability of the people, and at the same time ensure debt repayment obligations for ODA projects and financial efficiency for the Company.

**04-** Focus on developing and implementing solutions to improve production and business efficiency, aiming to maintain a positive and stable return on equity in the coming years.

**05-** Research and gradually implement digital transformation in each of LAWACO's operational areas; initially, develop a suitable roadmap to change management thinking, improve operational efficiency, enhance the ability to provide timely information and data, reduce operating costs, and maintain the company's competitive advantage in the long term.

**06-** Continue implementing organizational restructuring towards a streamlined and professional structure, in line with the diversified business development strategy; gradually expand the scope of operations beyond the province and neighboring areas, with particular emphasis on developing services where LAWACO has strengths, such as installing post-meter water supply systems, in order to increase revenue and expand the market.



**05**

## **CORPORATE GOVERNANCE**

- 1. Board of Directors**
- 2. Board of Supervisors**
- 3. Transactions, remuneration, and benefits of the Board of Directors, the Board of Management, and the Board of Supervisors**

## BOARD OF DIRECTORS

### COMPOSITION AND STRUCTURE OF THE BOARD OF DIRECTORS

NO.	FULL NAME	POSITION	NUMBER OF SHARES OWNED		OWNER-SHIP PER-CENTAGE	APPOINTMENT PERIOD
			PERSONAL	REPRESENTATIVE		
1	Mr. Phan Dinh Tan	Chairman of the BOD	-	10,735,182	13.62%	27/5/2023
2	Mr. Nguyen Hung Cuong	Member of the BOD General Director	-	22,059,047	27.99%	27/5/2023
3	Mr. Nguyen Van Dung	Member of the BOD Deputy General Director	3,600	9,453,877	12.00%	27/5/2023
4	Mr. Tran Quoc Hung	Non-executive member of the BOD	-	-	-	27/5/2023
5	Mr. Do Van Ha	Non-executive member of the BOD	-	-	-	27/5/2023

(\*) Based on the latest shareholder list as of December 31, 2025

### PROFILES OF MEMBERS OF THE BOARD OF DIRECTORS



#### Mr. PHAN DINH TAN

Chairman of the Board of Directors

- **Nationality:** Vietnam.
- **Qualification:** Economic Management.

#### Number of shares held at present

- **Personal:** None.
- **Ownership representative:** Mesa Asia Pacific Trading Services Company Limited, holding 10,735,182 shares (representing 13.62% of the charter capital).

Time	Work experience
1972 – 1975	Officers of the working team in Bong Son town, Hoai Nhon district, Binh Dinh province.
1975 – 1976	Secretary of the People's Committee of Bong Son town, Hoai Nhon district, Binh Dinh province.
1976 – 1979	Students of the School of Economic Management in Nghia Binh province.
1980 – 1990	Officials of the Nghia Binh Provincial Fisheries Union Company.
1990 – 2003	Deputy Director of Hoan Cau Company Limited.
November 2003 – July 2015	Member of the Board of Directors of Nam A Commercial Bank.
July 2015 – October 2016	Chairman of the Board of Directors of Nam A Commercial Bank.
October 2016 – December 2022	Vice Chairman of the Board of Directors of Nam A Commercial Bank.
November 2003 – present	General Director of Hoan Cau Company Limited.
July 2015 – present	Member of the Board of Directors of Ben Tre Water Supply and Sewerage Joint Stock Company.
December 2018 – present	Member of the Board of Directors of Binh Dinh Water Supply and Sewerage Joint Stock Company
December 2017 – present	Chairman of the Board of Directors and General Director of Hoan Cau Company Limited
December 2018 – present	Chairman of the School Board of Quang Trung University
December 2017 – present	Director of Sao Sang Joint Stock Company
January 2023 – present	Advisor to the Board of Directors of Nam A Commercial Bank
2018 – present	Chairman of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company.

# BOARD OF DIRECTORS

## PROFILES OF MEMBERS OF THE BOARD OF DIRECTORS



**Mr. TRAN QUOC HUNG**

Member of the Board of Directors

- **Nationality:** Vietnam.
- **Qualification:** Business Administration.

Number of shares held at present  
None.

Time	Work experience
1991 – 2000	The staff of Dalat Palace & Du Parc Dalat Hotel are employees of Hoang Gia Dalat Joint Stock Company.
May 2000 – April 2013	Responsible for business operations at Long Thanh Golf Course, Dong Nai.
May 2013 – December 2016	Director of Dalat Golf Course, a subsidiary of Dalat Royal Joint Stock Company.
January 2016 – present	Permanent Deputy General Director and Executive Director of Golf Course - Royal Dalat Joint Stock Company. Member of the Board of Directors of Royal Dalat Joint Stock Company.
June 2018 – present	Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company.



**Mr. DO VAN HA**

Member of the Board of Directors

- **Nationality:** Vietnam.
- **Qualification:** University degree in Mechanical Engineering.

Number of shares held at present  
None.

Time	Work experience
Sep 2009 – Oct 2010	Engineer at the Technology Transfer Complex Joint Stock Company
Oct 2010 – May 2014	Head of Design, Commissioning, and Procurement Team (Mechanical and Electrical) - PetroVietnam Metal Structures and Installation Joint Stock Company
May 2014 – Aug 2016	Deputy Director of NPL Joint Stock Company
Sep 2016 – Dec 2018	Deputy General Director of Confitech Energy Joint Stock Company
Jan 2019 – Jul 2020	Deputy Head of Project Management Board, Vietnamsola Joint Stock Company
Aug 2020 – Apr 2022	Project Director, Adani Phuoc Minh Solar Power Co., Ltd., Adani Phuoc Minh Wind Power Co., Ltd.
Jul 2022 – Present	General Director of Daewon-Hoan Cau Housing Development Joint Venture Company Limited
Apr 2023 – Present	Member of the Board of Directors of Bao Minh Securities Joint Stock Company
May 2023 – Present	Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company

**Mr. NGUYEN HUNG CUONG**

Member of the Board of Directors cum General Director

**Mr. NGUYEN VAN DUNG**

Member of the Board of Directors cum Deputy General Director

See information in Part II, Section 2 – Organization and Personnel

**Subcommittees of the Board of Directors:** None.

**Changes to the list of members of the Board of Directors in 2025:** None.

**Activities of independent member of the BOD:** None.

**List of members of the BOD with corporate governance training certificates:** None.

## NUMBER OF BOARD OF DIRECTORS MEETINGS IN 2025

NO.	MEMBER OF THE BOD	POSITION	NUMBER OF BOARD OF DIRECTORS MEETINGS ATTENDED	MEETING ATTENDANCE RATE	REASONS FOR NOT ATTENDING THE MEETING.
1	Mr. Phan Dinh Tan	Chairman of the Board	06/06	100%	
2	Mr. Nguyen Hung Cuong	Member of the BOD	06/06	100%	
3	Mr. Nguyen Van Dung	Member of the BOD	06/06	100%	
4	Mr. Tran Quoc Hung	Non-executive member of the BOD	06/06	100%	
5	Mr. Do Van Ha	Non-executive member of the BOD	06/06	100%	

## BOARD OF DIRECTORS

### EVALUATION OF THE BOARD OF DIRECTORS' PERFORMANCE DURING THE YEAR

The Board of Directors fully performs its functions and duties as stipulated in the Company's Charter. In 2025, the Board of Directors maintained regular meetings as planned and successfully organized the Annual General Meeting of Shareholders, ensuring compliance with legal regulations and internal governance rules.

At the meetings, the members of the Board of Directors actively participated in discussions, contributed ideas, and issued important operational policies, providing a basis for the Board of Management to implement production and business activities in accordance with the Shareholders' General Meeting Resolution and the Company's development strategy.

Based on a careful assessment of investment efficiency, the Board of Directors proactively considered and temporarily suspended several large-scale projects that were not truly feasible at the present time; while prioritizing resources for areas that yield practical results such as combating water loss and revenue leakage, renovating and upgrading disadvantaged water supply areas, expanding service areas, developing customers, and controlling production costs. This focused investment has contributed to lowering costs, improving operational efficiency, and promoting sustainable production growth, linked to pricing that reflects the intended use of the product.

The Board of Directors consistently monitors the company's operational situation, leverages LAWACO's core strengths, and remains steadfast in its customer-centric approach to all production, business, and service activities. Strategies for customer development, water supply expansion, management quality improvement, and human resource training are prioritized and implemented comprehensively.

Through its role of timely guidance, supervision, and direction, the Board of Directors has clearly demonstrated its leadership capacity in managing production and business operations, contributing to the company's achievement and exceeding of planned targets.

Furthermore, the Board of Directors has proactively reviewed and improved the internal management policies and regulations towards professionalizing and optimizing operational processes, thereby saving costs, enhancing management efficiency, and increasing employee and customer satisfaction. These consistent and appropriate decisions have created a crucial foundation for LAWACO's stable and sustainable development.



### RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS IN 2025

In 2025, the Board of Directors held a total of 6 meetings, issuing the following Resolutions and Decisions:

NO.	RESOLUTION/DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
I	Resolution			
1	01/2025/NQ-HĐQT	11/02/2025	<ol style="list-style-type: none"> <li>Agreement with the report of the Board of Management on the business results for the year.</li> <li>Agreement on the contents to be presented at the 2025 Annual General Meeting of Shareholders as follows:                             <ul style="list-style-type: none"> <li>- Audited Financial Statements for 2024</li> <li>- Report of the Board of Directors on corporate governance and the performance of the Board of Directors and each member in 2024</li> <li>- Report of the Board of Supervisors on the Company's business performance, performance of the Board of Directors and the General Director in 2024</li> <li>- Self-assessment report on the performance of the Board of Supervisors and its members in 2024</li> <li>- Business plan for 2025 and investment plan for 2025</li> <li>- Selection of the auditing firm for the 2025 financial year</li> <li>- Determination of dividend distribution for 2024 and projected dividend for 2025</li> <li>- Summary report on remuneration of the Board of Directors and the Board of Supervisors in 2024 and remuneration payment plan for 2025</li> <li>- Determination of salary fund for 2025</li> <li>- Allocation rate for the reward and welfare funds in 2024 and plan for allocation in 2025</li> <li>- Draft Resolution of the 2025 Annual General Meeting of Shareholders</li> <li>- Proposal for the merger of Da Huoai Water Plant and Da Teh Water Plant</li> <li>- Amendment of the Charter (if any).</li> </ul> </li> <li>Agreement on the timing of the 2025 Annual General Meeting of Shareholders to be held at the end of April 2025</li> </ol>	100%

## BOARD OF DIRECTORS

### RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS IN 2025

NO.	RESOLUTION/DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
2	02/2025/NQ-HĐQT	06/03/2025	<p>1. Agreement on the plan to organize the 2025 Annual General Meeting of Shareholders, with the final registration date for attending the 2025 Annual General Meeting of Shareholders set as March 27, 2025; the deadline for reviewing and approving documents and the detailed agenda set as April 4, 2025; and the date of the 2025 Annual General Meeting of Shareholders set as April 29, 2025.</p> <p>2. Agreement on the policy to amend the Company Charter (adjustments to Articles 14 and 26).</p> <p>3. Agreement not to submit the Proposal on the merger of Da Huoai Water Plant and Da Teh Water Plant (item 12, clause 1, Article 1 of Resolution of the Board of Directors No. 1 of 2025) to the 2025 Annual General Meeting of Shareholders.</p>	100%
3	03/2025/NQ-HĐQT	27/03/2025	<p>Agreement on the Company's 2025 salary fund as follows:</p> <p>1. Employee salaries in 2025</p> <p>1.1. The salary fund for water production shall be calculated based on the unit price of 126.77 VND per 1,000 VND of water revenue</p> <p>1.2. The salary fund for basic construction, installation of customer branch pipelines, and other works shall be calculated based on the actual labor involved in implementing the projects, estimates, and other tasks that are settled and finalized.</p> <p>1.3. The salary fund for wastewater treatment shall be calculated based on the unit price of 3,161.68 VND per cubic meter of treated wastewater, in accordance with Proposal No. 1.360/TTr-STC dated June 13, 2017, of the Lam Dong Department of Finance.</p> <p>2. The unit salary rate for the Company's Board of Management in 2025 shall be: 6.96 VND per 1,000 VND of business and production revenue.</p> <p>3. The actual salary fund in 2025 shall increase or decrease based on the Company's actual business performance.</p>	100%

NO.	RESOLUTION/DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
4	04/2025/NQ-HĐQT	04/04/2025	<p>1. Agreement on the use of documents and materials for the Company's 2025 Annual General Meeting of Shareholders (in both Vietnamese and English) as follows:</p> <p>1.1 Four reports, including: Report on the 2024 audited financial statements; Report from the Board of Directors on the governance situation and the operational results of the Board of Directors, each member of the Board of Directors in 2024 – the operational plan for 2025; Report from the Board of Supervisors on the company's business results, the operational results of the Board of Directors, and the General Director in 2024; Self-assessment report on the operational results of the Board of Supervisors and the inspectors in 2024.</p> <p>1.2 Ten proposals (listed in Section 1, Part I).</p> <p>1.3 Announcement of meeting invitation.</p> <p>1.4 Power of Attorney.</p> <p>1.5 Voting ballot.</p> <p>1.6 Voting card.</p> <p>1.7 Meeting agenda.</p> <p>1.8 Draft Resolution of the General Meeting.</p> <p>1.9 Working and voting regulations of the General Meeting.</p> <p>1.10 Appendices.</p> <p>2. Assign the Board of Management and the Company Secretary to review, finalize, submit for signing, and issue the documents.</p>	100%

## BOARD OF DIRECTORS

### RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS IN 2025

NO.	RESOLUTION/DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
5	05/2025/NQ-HĐQT	19/05/2025	<p>Agreement on the implementation of the General Meeting Resolution as follows:</p> <ul style="list-style-type: none"> <li>- Make every effort to achieve 100% of the targets set out in the Resolution of the General Meeting.</li> <li>- Assign the General Director to negotiate with Tuyen Lam Water Supply Joint Stock Company to carry out the following:               <ol style="list-style-type: none"> <li>a) Negotiate the renewal of the water purchase contract at the purchase price set by the Provincial People's Committee;</li> <li>b) If this is not feasible, negotiate the acquisition of the water plant and water supply area of this company;</li> <li>c) If neither (a) nor (b) is feasible, proceed with leasing the plant for production purposes.</li> </ol> </li> <li>- Assign the Board of Management to organize an emulation movement throughout the company, aiming to reduce the rate of water loss and unbilled water; promote technical innovation and production rationalization to save costs and improve productivity and service quality.</li> <li>- Select International Auditing Company Limited to audit the Company's 2025 Financial Statements and authorize the General Director to sign the audit contract..</li> <li>- Assign the General Director to distribute 2025 profits in accordance with regulations; determine the starting time for dividend payment to shareholders for the 2024 financial year as July 2025.</li> </ul> <p>Regarding the Labor Regulations: Authorize the General Director to review, compare, and amend the Labor Regulations based on the comments of the Board of Directors (see attached appendix), and to issue the revised version in accordance with regulations.</p>	100%

NO.	RESOLUTION/DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
6	06/2025/NQ-HĐQT	25/9/2025	<ol style="list-style-type: none"> <li>1. Agree on the 6-month reviewed Financial Statements for the accounting period ending June 30, 2025; acknowledge the Content of the company's Board of Supervisors' report on the company's operational status in the first 6 months of 2025 and the preliminary report on the company's operations in the first 6 months of 2025 and the operational direction for the last 6 months, prepared by the Board of Management; agree with the opinion of the General Director regarding solutions to remedy unmet targets such as: Percentage of loss, main production revenue... thereby:           <ol style="list-style-type: none"> <li>1.1 Assign the Board of Management to develop solutions to reduce the percentage of customers who do not issue invoices;</li> <li>1.2 Focus on accelerating the implementation progress of capital construction investment, prioritizing major repair works and anti-loss works.</li> </ol> </li> <li>2. Agree to the change of the Company's seal, assign the General Director to implement it, and during the process, research changing the seals of subsidiary units if deemed necessary.</li> <li>3. Agree that the Company's Information Discloser (the Company's General Director) shall delegate authority to Mr. Bui Hoang Truong Vi, Chief Accountant, concurrently Head of the Finance-Accounting Department, to act as the Company's Information Discloser, replacing Ms. Tran Thi Tuyet Ngoc.</li> <li>4. Assign the Company's Board of Management to research and develop a proposal for applying AI to the Company's production business management to enhance operational efficiency, maintain competitiveness, achieve sustainable development, and integrate with modern management trends</li> </ol>	100%

# BOARD OF DIRECTORS

## RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS IN 2025

NO.	RESOLUTION/ DECISION NUMBER	DATE	CONTENT	APPROVAL RATE
II	Decision			
1	01/2025/QĐ-HĐQT	11/02/2025	Establishing the Organization of the 2025 AGM	
2	02/2025/QĐ-HĐQT	04/04/2025	Establishing the Shareholder/Delegate Eligibility Check Committee for 2025 AGM	
3	03/2025/QĐ-HĐQT	04/04/2025	Establishing the Vote Counting Support Committee for the 2025 AGM	
4	04/2025/QĐ-HĐQT	18/06/2025	Regarding the finalization of the list of shareholders entitled to receive dividends of 2024	
5	05/2025/QĐ-HĐQT	09/09/2025	Appointing personnel to participate in the training course on “Corporate Governance” organized by the Institute for Human Resources and Business Development (HUREDIN)	



# BOARD OF SUPERVISORS

## MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS

NO.	MEMBER	POSITION	NUMBER OF SHARES OWNED	OWNERSHIP PERCENTAGE
1	Mrs. Nguyen Thi My Van	Head	1,200	0.00%
2	Mrs. Nguyen Thy Phuong	Member	12,502,601	19.67%
3	Mr. Pham Van Khoa	Member	-	-

(\*) Based on the latest shareholder list as of December 31, 2025

## PROFILES OF THE BOARD OF SUPERVISORS



### Mrs. NGUYEN THI MY VAN

Head of the Board of Supervisors

- Nationality: Vietnam.
- Qualification: Bachelor of Accounting, Master of Banking

Number of shares held at present

- Personal: 1,200 shares, representing 0.00% of the charter capital.
- Ownership representative: None.

Time	Work experience
2004 – June 2017	Accountant at Lam Dong Water Supply and Sewerage Company Limited.
July 2017 – June 2018	Supervisor of Lam Dong Water Supply and Sewerage Company Limited.
June 2018 – present	Head of the Board of Supervisors of Lam Dong Water Supply and Sewerage Joint Stock Company



### Mr. PHAM VAN KHOA

Member of the Board of Supervisors

- Nationality: Vietnam.
- Qualification: Master of Business Administration.

Number of shares held at present:

None.



### Mrs. NGUYEN THY PHUONG

Member of the Board of Supervisors

- Nationality: Vietnam.
- Qualification: Master of Corporate Finance.

Number of shares held at present

- Personal: None.
- Ownership representative: holding shares of Thuy Anh Water Supply Sewerage Joint Stock Company is 12,502,601 shares, representing 19.67% of the charter capital.

Time	Work experience
December 1998 – December 2009	Lecturer, Deputy Head of the Faculty of Economics, Deputy Head of the Training Department, College of Food and Foodstuffs, Ministry of Agriculture
January 2010 – December 2010	Economist, Organization Department, Multimodal Transport Joint Stock Company, Ministry of Transport
January 2011 – September 2012	Investment Officer, Investment Department 1, State Capital Investment and Business Corporation
October 2012 – present	Investment officers of the Regional Branch of the State Capital Investment Corporation.
September 2024 – present	Chairman of the Board of Directors of Binh Thuan Transportation Construction Joint Stock Company
May 27, 2023 – present	Member of the Board of Supervisors of Lam Dong Water Supply and Sewerage Joint Stock Company

Time	Work experience
2011 – 2012	Employees of Duy Tan Plastic Manufacturing Company
2012 – 2014	Employees of Vietnam Joint Stock Commercial Bank for Industry and Trade
2014 – 2018	Employees of Military Commercial Joint Stock Bank
2018 – present	Employees of Vietnam Royal Investment Group Joint Stock Company
May 27, 2023 – present	Member of the Board of Supervisors of Lam Dong Water Supply and Sewerage Joint Stock Company
June 2022 – present	Member of the Board of Directors of Vietnam Tourism Joint Stock Company, Hanoi
April 2023 – present	Head of the Board of Supervisors of Bao Minh Securities Joint Stock Company
June 2023 – present	Member of the Board of Directors of Ben Tre Water Supply and Sewerage Joint Stock Company

## LIST OF CHANGES TO MEMBERS OF THE BOARD OF SUPERVISORS IN 2025: None.

# BOARD OF SUPERVISORS

## ACTIVITIES OF THE BOARD OF SUPERVISORS

- Report on evaluating the business performance of the entire company in 2024.
- Self-assessment report on the Board of Supervisors's performance in 2024.
- Report on the company's performance; Performance of the Board of Directors and the Board of Management in 2024.
- Select 03 auditing firms to present to the Annual General Meeting of Shareholders in 2025.
- Review and evaluate the financial statements for Q4 2024 and Q1, Q2, and Q3 2025.
- Report on the results of the inspection of the company's production and business activities for the first six months of 2025.
- Present to the General Meeting of Shareholders the Board of Supervisors' activity program for 2025. Assign tasks to each member of the Board of Supervisors.
- Conduct on-site inspections of several activities in the wards of Da Lat and 06 affiliated factories (revenue and expenditure, salaries, basic construction, customer management, accounts receivable and payable, warehouse, etc.)

Throughout the past year, the Board of Supervisors has excellently fulfilled its assigned tasks with a high sense of responsibility and professionalism. The Board has fully conducted planned and unscheduled inspections, promptly identifying and warning of potential risks in business operations. Through close supervision, the Board has made significant contributions to ensuring compliance with laws and internal regulations, and improving corporate governance efficiency. The BOS's recommendations and proposals are constructive and highly feasible, highly appreciated by the Board of Management, and effectively implemented. With these achievements, the Board of Supervisors has affirmed its important role in protecting the rights of shareholders and stakeholders, while contributing to the sustainable development of the Company.

## EVALUATION OF THE BOARD OF SUPERVISORS'S PERFORMANCE

In 2025, the Board of Supervisors held 06 planned meetings. All members of the Board of Supervisors attended the meetings and also assigned representatives to attend the Board of Directors' meetings to stay informed about the Company's operations and governance.

The Board of Supervisors has performed the function of inspecting and supervising compliance with current legal regulations, including the Enterprise Law, the Accounting Law, and related legal documents; and also supervising compliance with the Company's Charter, internal governance regulations, and the implementation of the Shareholders' General Meeting Resolution 2025.

During its operation, the Board of Supervisors fully participated in all regular and extraordinary meetings of the Board of Directors, closely monitoring the production and business situation, investment activities, and key operations of the Company. In particular, the Board of Supervisors supervised the implementation of investment projects according to the plan approved by the Board of Directors, as well as reviewing the signing of economic contracts to ensure compliance, transparency, and efficiency.

In addition, the Board of Supervisors has closely coordinated with the Board of Management in reviewing, adjusting, and improving regulations related to finance and accounting, capital construction investment, customer management, and accounts receivable management, contributing to enhancing governance efficiency and risk control throughout the Company.

With a serious, objective, and responsible work ethic, the Board of Supervisors has successfully fulfilled its assigned functions and duties; fully exercising its powers as stipulated by law and the Company's Charter. The proactive and effective supervisory activities of the Board of Supervisors have made a significant contribution to enhancing transparency, ensuring compliance with the law, protecting the legitimate rights and interests of shareholders and stakeholders, and creating a solid foundation for the stable and sustainable development of LAWACO in the future.

## MEETINGS OF THE BOARD OF SUPERVISORS

NO.	FULL NAME	POSITION	NUMBER OF MEETINGS ATTENDED	MEETING ATTENDANCE RATE	NOTE
1	Mrs. Nguyen Thi My Van	Head	06/06	100%	-
2	Mrs. Nguyen Thy Phuong	Member	06/06	100%	-
3	Mr. Pham Van Khoa	Member	06/06	100%	-

## MEETING CONTENT

NO.	MINUTES NUMBER	MEETING DATE	CONTENT
1	01/2025/BC-BKS	18/1/2025	Review financial statements, income statements, financial situation, and budget payments; Capital construction investment; Implement the Shareholders' Meeting Resolution for Q4/2024.
2	02/2025/BC-BKS	11/3/2025	Report on the results of production and business activities in 2024
3	3,4,5/2025/BC-BKS	15/4/2025	Report on the company's business results, and the performance of the Board of Directors and the General Director. Self-assessment report on the performance of the Board of Supervisors. Select an auditor for the 2025 financial statements.
4	06/2025/BC-BKS	17/4/2025	Review of financial statements, business performance reports, financial situation, budget contributions; Capital construction investment for Q1/2025.
5	07/2025/BC-BKS	15/5/2025	Report on operational results for the first six months of 2025
6	08/2025/BC-BKS	17/10/2025	Review financial statements, income statements, financial situation, and budget contributions; Capital construction investment; Implement the Shareholders' Meeting Resolution for Q3/2025.

# TRANSACTIONS, REMUNERATION, AND BENEFITS

## REMUNERATION OF EACH MEMBER OF THE BOD, BOS, AND BOM DURING THE YEAR

NO.	FULL NAME	JOB TITLE	2025 (*)	2024
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### Remuneration and income of the Board of Directors and the Board of Management

1	Mr. Phan Dinh Tan	Chairman of the BOD	617,519,975	639,791,875
2	Mr. Nguyen Hung Cuong	Member of the BOD cum General Director	1,764,459,352	1,547,634,552
3	Mr. Nguyen Van Dung	Member of the BOD cum Deputy General Director	1,070,833,890	973,446,562
4	Mr. Tran Quoc Hung	Non-executive member of the BOD	250,511,984	243,907,126
5	Mr. Do Van Ha	Member of the BOD	250,511,984	195,079,156
6	Mr. Bui Hoang Truong Vi	Chief Accountant	798,464,762	649,691,188
<b>TOTAL</b>			<b>4,752,301,947</b>	<b>4,249,550,459</b>

### Remuneration and income of the Board of Supervisors

1	Mrs. Nguyen Thi My Van	Head	567,026,151	592,228,344
2	Mrs. Nguyen Thy Phuong	Member	147,179,993	121,262,982
3	Mr. Pham Van Khoa	Member	147,179,993	121,262,982
<b>TOTAL</b>			<b>861,386,137</b>	<b>834,754,308</b>

\*Managers' bonuses are calculated based on actual expenditures in 2025 (from January 1, 2025 to December 31, 2025)

## TRANSACTIONS BETWEEN LAWACO AND RELATED PARTIES OF THE COMPANY; OR BETWEEN LAWACO AND MAJOR SHAREHOLDERS, INSIDERS, OR RELATED PARTIES OF INSIDERS:

None.

NO.	FULL NAME	POSITION	REMUNERATION	BONUS (**)	SALARY + OTHER	TOTAL INCOME
1	Phan Dinh Tan	Chairman of the BOD	480,000,000	275,039,950		755,039,950
2	Nguyen Hung Cuong	Member of the BOD General Director	168,000,000	600,021,968	1,078,949,368	1,846,971,336
3	Nguyen Van Dung	Member of the BOD Deputy General Director	168,000,000	398,699,968	586,645,906	1,153,345,874
4	Tran Quoc Hung	Non-executive member of the BOD	168,000,000	165,023,968		333,023,968
5	Do Van Ha	Member of the BOD	168,000,000	165,023,968		333,023,968
6	Nguyen Thi My Van	Head of the BOS		123,767,976	505,142,163	628,910,139
7	Nguyen Thy Phuong	Member of the BOS	112,800,000	68,759,986		181,559,986
8	Pham Van Khoa	Member of the BOS	112,800,000	68,759,986		181,559,986
9	Bui Hoang Truong Vi	Chief Accountant		233,676,000	564,788,762	798,464,762

(\*\*) Manager's bonus is calculated based on the actual amount in 2025 (second bonus payment was made in January 2026)

## TRANSACTIONS BETWEEN LAWACO AND COMPANIES WHERE MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF SUPERVISORS, DIRECTORS AND OTHER MANAGERS HAVE BEEN FOUNDING MEMBERS OR MEMBERS OF THE BOARD OF DIRECTORS, CEOS IN THE PAST THREE (03) YEARS (CALCULATED AT THE TIME OF REPORT PREPARATION):

None.

## TRANSACTIONS BETWEEN LAWACO AND COMPANIES WHERE RELATED PARTIES OF MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF SUPERVISORS, DIRECTORS AND OTHER MANAGERS ARE ALSO MEMBERS OF THE BOARD OF DIRECTORS OR CEOS:

None.

## TRANSACTIONS BETWEEN COMPANY INSIDERS:

None.

## TRANSACTIONS, REMUNERATION, AND BENEFITS

### OTHER TRANSACTIONS OF LAWACO THAT MAY PROVIDE MATERIAL OR NON-MATERIAL BENEFITS TO MEMBERS OF THE BOD, MEMBERS OF THE BOS, DIRECTORS AND OTHER MANAGERS

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	CONTACT ADDRESS	TRANSACTION DETAILS	TRANSACTION TIME
1	Lam Dong Power Company	No. 2 Hung Vuong Street, Lam Vien - Da Lat Ward, Lam Dong Province	Electricity supply	Frequent
2	Saigon DanKia Water Supply Corporation	Lang Biang Ward, Lam Dong Province	Supply finished water	Frequent
3	The Army Academy	No. 01 Ly Thuong Kiet Street, Lam Vien - Da Lat Ward, Lam Dong Province	Supply raw water from Chien Thang Lake.	Frequent
4	Lam Dong Investment & Hydraulic Construction Center	4th Floor, Block B, Provincial Administrative Center, 36 Tran Phu Street, Xuan Huong - Da Lat Ward, Lam Dong Province	Cung cấp nước thô hồ Phát Chi, Đankia, Đà Têh, Madaguoi	Frequent
5	Da Lat Center for Investment Management and Hydraulic Construction Today is: Da Lat Area Investment and Construction Project Management Board	No. 29, 3/4 Street, Ward 3, Da Lat City, Lam Dong Province Ground floor of Lam Vien Square, Tran Quoc Toan Street, Xuan Huong Ward – Da Lat	Supply raw water from Da Thien Lake	Frequent
6	Da Huoi District Management Board for Construction Investment and Public Construction	Madagui Town, Da Huoi District, Lam Dong Province	Supply raw water to the Da M'Ri gravity-fed water system.	Frequent
7	Bien Hoa Chemical Plant – Branch of South Basic Chemicals Joint Stock Company.	Road 5, Bien Hoa 1 Industrial Park, Tran Bien Ward, Dong Nai Province	Supply water treatment chemicals (chlorine and bleach).	Frequent
8	Trung Le Service and Trading Limited Liability Company	177/39 3/2 Street, Vuon Lai Ward, Ho Chi Minh City	Supply water treatment chemicals (alum, soda).	From January 1, 2021 to present

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	CONTACT ADDRESS	TRANSACTION DETAILS	TRANSACTION TIME
9	Thanh Dung Trading Single-member Limited Liability Company.	A8/16 Mai Bá Hương, Hamlet 1, Binh Lợi Commune, Ho Chi Minh City	Supply water pipes and fittings (HDPE)	From January 1, 2021 to present
10	Sai Gon Technology Company Limited.	11/4A Tran Van On Street, Tan Son Nhi Ward, Ho Chi Minh City	Supply machinery and equipment for water production (pumps, inverters, control panels).	From January 1, 2021 to present
11	Phuc Loc Electrical and Water Supply Store.	05 Dao Duy Tu Street, Xuan Huong - Da Lat Ward, Lam Dong Province.	Supply materials and tools for the construction of water supply and Sewerage systems.	From January 1, 2021 to present
12	Hawaco Southern Corporation.	No. 130/29 Pham Van Hai Street, Tan Son Hoa Ward, Ho Chi Minh City	Supply Itron water meters.	From January 1, 2021 to present
13	Bach Viet Technologies Corporation (BAVITECH)	No. 23 Pham Thai Buong Street, Tan Hung Ward, Ho Chi Minh City	Supply materials, equipment, and software for monitoring water supply networks (SCADA and DMA systems).	From January 1, 2021 to present
14	Luu Xuan Thuy Private Enterprise	Address: 161, Group 3, Quarter 3, Long Hung Ward, Dong Nai Province	Supply various types of water filtration materials (sand, gravel, manganese sand, activated carbon, etc.).	From January 1, 2022 to present
15	Khue Nam Technology Science Services Company Limited.	Address: 2/17 Pham Van Bach Street, Tan Son Ward, Ho Chi Minh City	Analysis of drinking and domestic water samples, Group B, QCVN 01-1:2018/ BYT (80 parameters)	From January 22, 2024 to present (twice a year)
16	Duchung Trading Engineering And Services Co.,Ltd	Address: 17/19 Go Dau Street, Phu Tho Hoa Ward, Ho Chi Minh City	Supply machinery and equipment for water production (pumps, inverters, various types of high-pressure water valves).	From January 19, 2021 to present
17	Phuong Lan Stationery Store	Address: 6 Ba Trieu Street, Xuan Huong - Da Lat Ward, Lam Dong Province	Supply all kinds of office supplies and stationery (printing and photocopying paper, pens, file folders, etc.).	From June 15, 2021 to present - Wastewater: Once every three months; - Water supply: once every six months

# TRANSACTIONS, REMUNERATION, AND BENEFITS

## OTHER TRANSACTIONS OF LAWACO THAT MAY PROVIDE MATERIAL OR NON-MATERIAL BENEFITS TO MEMBERS OF THE BOD, MEMBERS OF THE BOS, DIRECTORS AND OTHER MANAGERS

NO.	NAME OF ORGANIZATION/INDIVIDUAL	CONTACT ADDRESS	TRANSACTION DETAILS	TRANSACTION TIME
18	Gia Hung Phat Water Treatment Company Limited	Address: 418 National Highway 20, Duc Trong Commune, Lam Dong Province	Prepare environmental dossiers and apply for water resource exploitation permits for the company's water treatment plants.	From 2021 to present
19	Nhat Khoi Limited Company	Address: 145/5 Ho Tung Mau Street, Ward 1, Bao Loc City, Lam Dong Province	Prepare applications for permits and conduct exploratory drilling for water resources (groundwater in Thanh My and Bao Lam) for water treatment plants under the Company's management.	From June 29, 2023 to present
20	Lam Tri Viet Limited Company	111 Nguyen Van Troi Street, Xuan Huong - Da Lat Ward, Lam Dong Province	Thermal paper for water bill receipts (mini printer), and work order forms.	From 2020 to the present
21	Tran Duy Thoai Limited Company	No. 57 Nguyen Van Troi Street, Xuan Huong - Da Lat Ward, Lam Dong Province	Provide and repair services for various types of office equipment, electronic devices, and information technology equipment.	From 2020 to the present
22	Quang Minh Office Machinery Company Limited	Lot I6, Mac Dinh Chi Residential Area, Xuan Huong - Da Lat Ward, Lam Dong Province	Supply and repair of various types of office equipment (photocopiers).	From 2020 to the present
23	Dat Hoa Plastic Company Limited	Lot C-1-CN, NA4 Street, My Phuoc 2 Industrial Park, Ben Cat Ward, Ho Chi Minh City	Supply HDPE and uPVC pipes and fittings.	From 2021 to present
24	Green Services Trading Company Limited	No. 23A, An Duong Vuong Street, Xuan Huong - Da Lat Ward, Lam Dong Province	Supplies and equipment for water industry laboratories.	From June 2023 to present
25	Viet Urban Consulting and Investment Corporation (VUCICO)	250 Nguyen Thi Minh Khai Street, Xuan Hoa Ward, Ho Chi Minh City	Water supply supplies, various types of cold water meters (Delta)	From 2019 to present

NO.	NAME OF ORGANIZATION/INDIVIDUAL	CONTACT ADDRESS	TRANSACTION DETAILS	TRANSACTION TIME
26	Novo-Viet Tiep Joint Stock Company	Vien Noi Village, Phuc Thinh Commune, Hanoi City	Plumbing supplies, valves, faucets, and fittings.	From October 2023 to present
27	Nguyen Anh Sinh Fire Protection Company Limited	01 Theosophical Society, Xuan Huong Ward - Da Lat, Lam Dong Province	Supply and installation of lightning protection systems.	From June 2023 to present
28	Kim Hai Materials and Equipment Company Limited	No. 16, Street No. 6, Hiep Binh Residential Area, Hiep Binh Phuoc Ward, Thu Duc City, Ho Chi Minh City	Plastic sealing lock; Sealing cable (for sealing water meter assemblies)	From March 2020 to present
29	Phong Bich Private Enterprise	Da Chay village, Lac Duong commune, Lam Dong province	Supply construction materials: cement, sand, gravel, etc. (for construction and repair of Sewerage systems)	From March 2023 to present
30	Khanhhoa Environment Joint Stock Company	Ninh Ich village, Bac Ninh Hoa commune, Khanh Hoa province	Collection, transportation, and treatment of hazardous waste by the Company.	From October 2024 to present
31	Quality Assurance Of Vietnam Company Limited	Room 406, 4th floor, 130 Nguyen Duc Canh building, Tuong Mai ward, Hoang Mai district, Hanoi. Representative Office: 54 Tran Khanh Du Street, Tan Dinh Ward, District 1, Ho Chi Minh City	Calibration of laboratory equipment (LAB) by the Company	From February 2023 to present
32	Center for Environmental Research and Consulting	Address: 88 Dong Nai Street, Hoa Hung Ward, Ho Chi Minh City	Analyze environmental parameters at the Da Lat City Central Wastewater Treatment Plant and the Company's water treatment plants (in accordance with the Law on Environmental Protection).	From February 22, 2025 to present - Wastewater discharge: once a month; - Water supply: Once every six months.
33	Sao Kim International Investment Joint Stock Company	368/13 Tan Huong Street, Phu Tho Hoa Ward, Ho Chi Minh City	Supply valves, materials, and equipment for the water industry.	From April 16, 2025 to the present
34	Phong Nien Trade Services Electrical Automatic Company Limited	No. 8 N17 Street, Tan Binh Residential Area, Tan Thang Quarter, Tan Dong Hiep Ward, Ho Chi Minh City, Vietnam	Repair and supply of pump control panels, electrical equipment, etc.	From April 2024 to the present



## **2025 AUDITED FINANCIAL STATEMENTS**

- 1. Report of the Board of Management**
- 2. Independent audit report**
- 3. 2025 Financial statements**

## STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Lam Dong Water Supply and Sewerage Joint Stock Company (hereinafter referred to as the "Company") presents this report together with the Company's combined financial statements for the year ended 31 December 2025.

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

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

Board of Directors

Mr. Phan Dinh Tan	Chairman
Mr. Nguyen Hung Cuong	Member
Mr. Tran Quoc Hung	Member
Mr. Nguyen Van Dung	Member
Mr. Do Van Ha	Member

Board of Supervisors

Ms. Nguyen Thi My Van	Head of the Board
Mr. Pham Van Khoa	Member
Ms. Nguyen Thy Phuong	Member

Board of Management

Mr. Nguyen Hung Cuong	General Director
Mr. Nguyen Van Dung	Deputy General Director

Legal Representative

The Company's legal representative during the year and as of the date of this report is Mr. Nguyen Hung Cuong - General Director.

## AUDITORS

The combined financial statements of the Company for the year ended 31 December 2025 have been audited by International Auditing Company Limited - A member of AGN International.

## BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the combined financial statements, which give a true and fair view of the combined financial position of the Company as at 31 December 2025, and its combined financial performance and its combined cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to combined financial reporting. In preparing these combined financial statements, the Board of Management is 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 combined financial statements;
- prepare the combined 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 combined financial statements so as to minimize errors and frauds.

## STATEMENT OF THE BOARD OF MANAGEMENT (continued)

## BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (continued)

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

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

For and on behalf of the Board of Management,

The stamp is circular and red, containing the text: 'M.S.D.N: 580000174 - C.T. CÔNG TY CỔ PHẦN CẤP THOÁT NƯỚC LÂM ĐỒNG TỈNH LÂM ĐỒNG'. A blue ink signature is written across the stamp.

Nguyen Hung Cuong  
General Director

Lam Dong Province, 10 March 2026

No. 2345/2026/BCKT-ICPA.SG

**INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders  
The Board of Directors and the Board of Management  
Lam Dong Water Supply And Sewerage Joint Stock Company**

We have audited the accompanying combined financial statements of Lam Dong Water Supply And Sewerage Joint Stock Company (hereinafter referred to as "the Company"), prepared on 10 March 2026, as set out from page 4 to page 36, which comprise the combined Balance Sheet as at 31 December 2025, the combined Statement of Income, and the combined Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Board of Management's Responsibility**

The Board of Management is responsible for the preparation and presentation of these combined financial statements in accordance with Vietnamese accounting standards, accounting regime for enterprises, and prevailing relevant regulations in the combined financial statements preparation and disclosure and for such internal control as the Board of Management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the combined 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the combined financial statements.

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

**Opinion**

In our opinion, the combined financial statements give a true and fair view of, in all material respects, the combined financial position of the Company as at 31 December 2025, and its combined financial performance and its combined cash flows for the year then ended in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to combined financial reporting.



**Phạm Thị Loan**  
Deputy Branch Director  
Audit Practising Registration Certificate  
No. 2767-2024-072-1

Hồ Chí Minh City, 10 March 2026

**Tran Thi Xuan Tuoc**  
Auditor  
Audit Practising Registration Certificate  
No. N.4184-2022-072-1



**COMBINED BALANCE SHEET**  
As at 31 December 2025

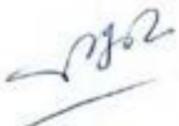
Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>98,515,942,483</b>	<b>89,887,963,601</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>44,385,496,387</b>	<b>38,574,107,095</b>
1. Cash	111		34,184,794,788	38,574,107,095
2. Cash equivalents	112		10,200,701,599	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>7,001,096,381</b>	<b>13,839,258,639</b>
1. Held-to-maturity investments	123	V.10	7,001,096,381	13,839,258,639
<b>III. Short-term receivables</b>	<b>130</b>		<b>38,649,843,058</b>	<b>29,838,009,793</b>
1. Short-term trade receivables	131	V.2	5,252,656,098	5,619,374,159
2. Short-term advances to suppliers	132	V.3	9,919,350,240	605,216,406
3. Other short-term receivables	136	V.4	27,769,138,770	27,641,994,229
4. Provision for short-term doubtful debts	137	V.5	(4,291,302,050)	(4,028,575,001)
<b>IV. Inventories</b>	<b>140</b>	<b>V.6</b>	<b>8,479,506,657</b>	<b>7,636,588,074</b>
1. Inventories	141		11,673,687,281	11,108,353,507
2. Provision for devaluation of inventories	149		(3,194,180,624)	(3,471,765,433)
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>1,081,164,817,704</b>	<b>1,107,938,472,950</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>425,155,640,937</b>	<b>436,786,389,427</b>
1. Tangible fixed assets	221	V.7	423,718,104,222	435,150,000,891
- Cost	222		1,078,328,801,949	1,051,140,694,197
- Accumulated depreciation	223		(654,610,697,727)	(615,990,693,306)
2. Intangible fixed assets	227	V.8	1,437,536,715	1,636,388,536
- Cost	228		2,558,591,000	2,558,591,000
- Accumulated amortization	229		(1,121,054,285)	(922,202,464)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>4,792,902,530</b>	<b>2,583,504,908</b>
1. Long-term construction in progress	242	V.9	4,792,902,530	2,583,504,908
<b>III. Long-term financial investments</b>	<b>250</b>		<b>637,970,000,000</b>	<b>653,220,000,000</b>
1. Held-to-maturity investments	255	V.10	637,970,000,000	653,220,000,000
<b>IV. Other long-term assets</b>	<b>260</b>		<b>13,246,274,237</b>	<b>15,348,578,615</b>
1. Long-term prepayments	261	V.11	8,155,624,614	8,889,010,916
2. Deferred tax assets	262	V.12	825,275,245	759,637,057
3. Long-term equipment, supplies and spare parts	263	V.13	4,265,374,378	5,699,930,642
<b>TOTAL ASSETS</b> (270 = 100 + 200)	<b>270</b>		<b>1,179,680,760,187</b>	<b>1,197,826,436,551</b>

**COMBINED BALANCE SHEET (continued)**  
As at 31 December 2025

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>208,485,730,510</b>	<b>229,116,313,324</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>69,276,098,246</b>	<b>67,129,451,483</b>
1. Short-term trade payables	311	V.14	11,823,383,061	12,559,524,866
2. Short-term advances from customers	312	V.15	304,235,314	477,556,514
3. Taxes and amounts payable to the State budget	313	V.16	6,709,020,191	8,865,696,549
4. Payables to employees	314		13,246,663,230	9,545,493,678
5. Short-term accrued expenses	315	V.17	3,350,858,610	3,497,894,566
6. Other current payables	319	V.18	1,423,625,647	1,622,279,113
7. Short-term loans and obligations under finance leases	320	V.19	22,793,678,239	22,793,678,239
8. Bonus and welfare funds	322	V.20	9,624,633,954	7,767,327,958
<b>II. Long-term liabilities</b>	<b>330</b>		<b>139,209,632,264</b>	<b>161,986,861,841</b>
1. Other long-term payables	337	V.18	521,966,354	505,517,706
2. Long-term loans and obligations under finance leases	338	V.19	138,687,665,910	161,481,344,135
<b>D. EQUITY</b>	<b>400</b>		<b>971,195,029,677</b>	<b>968,710,123,227</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>V.21</b>	<b>971,195,029,677</b>	<b>968,710,123,227</b>
1. Owner's contributed capital	411		788,000,000,000	788,000,000,000
- Ordinary shares carrying voting rights	411a		788,000,000,000	788,000,000,000
2. Share premium	412		28,512,122,705	28,512,122,705
3. Other owner's capital	414		19,057,709,405	19,057,709,405
4. Investment and development fund	418		45,039,241,420	22,107,785,803
5. Retained earnings	421		79,255,431,775	99,701,980,942
- Retained earnings accumulated to the prior year end	421a		-	-
- Retained earnings of current year	421b		79,255,431,775	99,701,980,942
6. Construction investment fund	422		11,330,524,372	11,330,524,372
<b>TOTAL RESOURCES</b> (440 = 300 + 400)			<b>1,179,680,760,187</b>	<b>1,197,826,436,551</b>

  
 Tran Thi Tuyet Ngoc  
 Preparer

  
 Bui Hoang Truong Vi  
 Chief Accountant

  
 Nguyen Hung Cuong  
 General Director

10 March 2026



**COMBINED STATEMENT OF INCOME**  
For the year ended 31 December 2025

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	VI.1	319,621,707,076	319,686,229,615
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		319,621,707,076	319,686,229,615
4. Cost of sales	11	VI.2	232,887,009,288	228,189,224,122
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		86,734,697,788	91,497,005,493
6. Financial income	21	VI.3	47,631,866,739	69,321,134,697
7. Financial expenses	22	VI.4	11,159,185,190	13,146,708,517
- In which: Interest expense	23		11,159,185,190	12,555,962,887
8. Selling expenses	25	VI.5	5,394,462,950	4,198,670,709
9. General and administration expenses	26	VI.6	16,169,207,111	18,258,831,871
10. Operating profit [30 = 20 + (21 - 22) - (25 + 26)]	30		101,643,709,276	125,213,929,093
11. Other income	31	VI.7	363,571,185	619,308,666
12. Other expenses	32	VI.7	1,234,281,480	1,161,724,397
13. Loss from other activities (40 = 31 - 32)	40	VI.7	(870,710,295)	(542,415,731)
14. Accounting profit before tax (50 = 30 + 40)	50		100,772,998,981	124,671,513,362
15. Current corporate income tax expense	51	VI.8	20,469,426,871	25,279,553,884
16. Deferred corporate tax income	52	V.12	(65,638,188)	(310,021,464)
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		80,369,210,298	99,701,980,942
18. Basic earnings per share	70	VI.10	682	901
19. Diluted earnings per share	71	VI.10	682	901

  
 Tran Thi Tuyet Ngoc  
 Preparer

  
 Bui Hoang Truong Vi  
 Chief Accountant

  
 Nguyen Hung Cuong  
 General Director

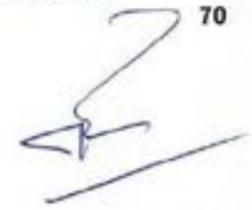


10 March 2026

**COMBINED STATEMENT OF CASH FLOWS**  
(Direct method)  
For the year ended 31 December 2025

ITEMS	Codes	Unit: VND	
		Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Cash received from sales of goods and services	01	344,704,398,263	345,925,385,987
2. Cash paid to suppliers for goods and services	02	(156,917,515,039)	(150,820,547,637)
3. Cash paid to employees	03	(49,250,872,716)	(51,009,053,731)
4. Cash paid for interest expenses	04	(11,327,390,393)	(12,730,507,260)
5. Cash paid for corporate income tax	05	(23,030,934,910)	(22,959,785,718)
6. Other cash inflows	06	6,623,180,441	12,408,781,896
7. Other cash outflows	07	(70,208,030,478)	(64,399,560,871)
<b>Net cash generated from operating activities</b>	<b>20</b>	<b>40,592,835,168</b>	<b>56,414,712,666</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(34,456,145,874)	(31,038,388,932)
2. Proceeds from sales of fixed assets and other long-term assets disposal	22	-	435,500,000
3. Cash outflow for lending, buying debt instruments of other entities	23	(9,000,000,000)	(615,656,541,938)
4. Cash recovered from lending, selling debt instruments of other entities	24	31,655,369,863	555,839,258,639
5. Cash recovered from investments in other entities	26	-	26,435,003,200
6. Interest, dividends and profits received	27	47,881,108,360	70,254,417,321
<b>Net cash generated from investing activities</b>	<b>30</b>	<b>36,080,332,349</b>	<b>6,269,248,290</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Repayments of borrowings	34	(22,793,778,225)	(22,793,678,219)
2. Dividends and profits paid	36	(48,068,000,000)	(40,188,000,000)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(70,861,778,225)</b>	<b>(62,981,678,219)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>50</b>	<b>5,811,389,292</b>	<b>(297,717,263)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>38,574,107,095</b>	<b>38,871,824,358</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60)</b>	<b>70</b>	<b>44,385,496,387</b>	<b>38,574,107,095</b>

  
Tran Thi Tuyet Ngoc  
Preparer

  
Bui Hoang Truong Vi  
Chief Accountant

  
Nguyen Hung Cuong  
General Director

10 March 2026

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
For the year ended 31 December 2025

**I. GENERAL INFORMATION**

**Structure of ownership**

Lam Dong Water Supply and Sewerage Joint Stock Company (hereinafter referred to as "the Company"), formerly known as Lam Dong Water Supply and Sewerage One-Member Limited Liability Company (a 100% state-owned enterprise), was established under Decision No. 2873/QĐ-UBND dated 18 October 2005 issued by the People's Committee of Lam Dong Province.

The Company was equitized according to Decision No. 774/QĐ-UBND dated 23 April 2015 approving the roadmap for restructuring 100% state-owned enterprises in Lam Dong province, and Decision No. 2660/QĐ-UBND dated 08 December 2017 approving the capital structure when transitioning to a joint stock company, issued by the People's Committee of Lam Dong province.

The Company officially operates as a joint-stock company under the Enterprise Registration Certificate No. 5800000174 dated 22 June 2018 issued by the Department of Finance of Lam Dong Province (formerly known as the Department of Planning and Investment). The Enterprise Registration Certificate has been amended several times, with the latest amendment being the 12th amendment dated 15 July 2025 relating to the change in the Company's address.

The charter capital of the Company is VND 788,000,000,000, equally divided into 78,800,000 shares with par value of VND 10,000.

The head office of the Company is located at 50 Hung Vuong, Lam Vien - Da Lat Ward, Lam Dong province.

The Company's name in English: Lam Dong Water Supply and Sewerage Joint Stock Company, the Company's abbreviation name: Lawaco.

The Company's shares are currently traded at Upcom of the Ha Noi Stock Exchange with stock code as LDW.

The number of employees of the Company as at the end of the year and the beginning of the year is about 363 and 371, respectively.

**Business sector**

The Company's business sector is producing and supplying clean water.

**Operating industries and principal activities**

The operating industries of the Company comprise production and supply of clean water for urban and industrial use; consulting and designing construction projects for civil works, water supply, and drainage projects; supervision of civil, industrial, water supply, drainage, and irrigation projects; preparation of construction investment projects, project verification, and environmental impact assessment; budget estimation and construction design for civil, industrial, water supply, drainage, and irrigation projects; installation of water supply, drainage, heating, and air conditioning systems; construction of water supply and drainage systems, industrial and civil works, irrigation, resorts, eco-gardens, and leisure parks; production and trading of materials and equipment related to the water sector. Provision of tourism services for sightseeing and resorts; planning for construction of water supply and drainage systems; planning and consulting for water supply and drainage systems, tender documentation, bid evaluation, and project management; conducting surveys on terrain, geology, hydrology, and environmental factors.

The Company's principal activities during the year include production and supply of clean water for urban and industrial use; wastewater treatment; construction of water supply and drainage works.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**I. GENERAL INFORMATION (continued)**

**Normal production and business cycle**

The Company's normal production and business cycle is carried out in a period not exceeding 12 months.

**Company's structure**

The Company's affiliated units include:

Affiliated units	Address
Da Lat Water Plant	Langbiang - Da Lat Ward, Lam Dong Province
Lam Ha Water Plant	Dinh Van Lam Ha Commune, Lam Dong Province
Bao Lam Water Plant	Bao Lam 1 Commune, Lam Dong Province
Da Teh Water Plant	Da Teh Commune, Lam Dong Province
Don Duong Water Plant	Don Duong Commune, Lam Dong Province
Da Huoi Water Plant	Da Huoi Commune, Lam Dong Province
Dam Rong Water Plant	Dam Rong 2 Commune, Lam Dong Province
Wastewater treatment plant	Cam Ly - Da Lat Ward, Lam Dong Province
Water Supply and Drainage consulting plant	Lam Vien - Da Lat Ward, Lam Dong Province
Water Supply and Drainage Construction plant	Lam Vien - Da Lat Ward, Lam Dong Province
Hydrometer Management Enterprise	Lam Vien - Da Lat Ward, Lam Dong Province

**Disclosure of information comparability in the combined financial statements**

The comparative figures are presented in the combined financial statements for the financial year ended 31 December 2024. The Company has consistently applied accounting policies in accordance with applicable accounting standards, the accounting regime, and relevant legal regulations in preparing and presenting the combined financial statements. Accordingly, the information presented in the combined financial statements is comparable.

**ii. ACCOUNTING CONVENTION AND ACCOUNTING YEAR**

**Accounting convention**

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

The Company's combined financial statements are prepared by aggregating the financial statements of the Company's headquarters and its affiliated units. Inter-unit transactions and balances are eliminated in the preparation of the combined financial statements.

The accompanying combined 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.

**Financial year**

The Company's financial year begins on 1 January and ends on 31 December.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**III. ACCOUNTING STANDARD AND REGIME APPLIED**

**Accounting standards and regime applied**

The Company's Board of Management ensures compliance with requirements of Vietnamese accounting standards and the accounting regime for enterprises promulgated under Circular No. 200/2014/TT-BTC ("Circular 200") dated 22 December 2014, guiding the accounting regime for enterprises, Circular No. 53/2016/TT-BTC dated 21 March 2016 of the Ministry of Finance amending and Circular No. 200/2014/TT-BTC, as well as circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of combined financial statements.

**New accounting guidance issued but not yet effective**

On 27 October 2025, the Ministry of Finance issued Circular No. 99/2025/TT-BTC ("Circular 99") providing guidance on the enterprise accounting regime. Circular 99 is effective from 1 January 2026 and applies to financial years beginning on or after that date. Circular 99 replaces Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 and other relevant regulations. Provisions relating to the equitisation of state-owned enterprises as provided in Circular 200 continue to be applied.

Circular 99 has not been applied in the combined financial statements for the year ended 31 December 2025. The Company's Management is currently assessing the impact of this Circular on the Company's combined financial statements for subsequent accounting periods.

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

The preparation of combined financial statements in conformity with Vietnamese accounting standards, accounting regime for enterprises, and legal regulations relating to combined financial reporting requires the 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are matured within three months commencing on the transaction date, readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

**Held-to-maturity investments**

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

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

When there is specific evidence that a part or all of the investment may not be recoverable and the amount of loss can be measured reliably, the loss is recognized in financial expenses during the year and directly reduced to the investment value.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Held-to-maturity investments (continued)**

Held-to-maturity investments are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

**Receivables**

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

Provision for doubtful debts is made for overdue receivables stated in economic contracts, loan agreements, contractual commitments or debt commitments, and outstanding receivables which are doubtful of being recovered. Provision for overdue receivables is made based on overdue days in payment of principals following the initial economic contract, exclusive of the rescheduling debts between contracting parties, provision for outstanding receivables is made when the debtor is in bankruptcy, or is doing procedures to dissolve, missing, escaped.

An increase or decrease in provision for doubtful debts at the closing date is recognized as general and administration expenses in the year.

**Inventories**

Inventories are stated at the lower of cost and net realizable 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. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling, and distribution.

Provision for devaluation of inventories is made in accordance with prevailing accounting regulations which allow provision to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as of reporting date. The provision for devaluation of obsolete, damaged, or sub-standard inventories is not included in deductible expenses for the calculation of corporate income tax until such inventories are disposed.

An increase or decrease in the provision for devaluation of inventories at the closing date is recognized in the cost of sales in the year.

**Long-term reserved spare parts**

Equipment, supplies and spare parts that are stored for more than 12 months or more in a normal production and business cycle for the purposes of replacing and preventing damage to fixed assets are recorded as long-term assets.

Long-term reserved spare parts are stated at net value (after deducting provision for devaluation, if any). Provision for devaluation of long-term reserved spare parts is made in accordance with prevailing accounting regulations similar to inventories.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing costs plus installation and test running costs.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Tangible fixed assets and depreciation (continued)**

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

	Years
Buildings and structures	6 - 50
Machinery and equipment	1 - 20
Motor vehicles	6 - 30
Office equipment	3 - 10
Other tangible fixed assets	4 - 25

Tangible fixed assets are revalued when state-owned enterprises are equitized. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

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

**Intangible fixed assets and amortization**

Intangible assets are stated at cost less accumulated amortization. The Company's intangible assets comprise of computer software, is amortized using the straight-line method 10 years.

Land use rights with a limited term are amortized on a straight-line basis over the year of use granted.

**Construction in progress**

Properties in the course of construction for production, rental, or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Prepayments**

Prepaid expenses include actual costs incurred that are related to the business operations over multiple accounting periods and are expected to provide future economic benefits. The Company's prepaid expenses include distribution pipeline systems, value of goodwill incurred during the equitization of the state-owned enterprise, costs of tools and equipment issued for use, and other prepaid expenses.

***Distribution pipeline systems***

The costs incurred by the Company to invest in distribution pipeline systems are recorded as a long-term prepaid expense and allocated at the rate of 244 VND/m<sup>3</sup> according to the cost structure of water production issued by the Department of Finance and the People's Committee of Lam Dong province on 28 October 2023.

For the additional value of the distribution pipeline systems determined during the equitization process, the Company applies the straight-line allocation method over a useful life of 10 years.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Prepayments (continued)**

Tools, supplies and other prepaid expenses

Small tools, equipment, and components issued for consumption, along with other prepaid expenses, are capitalized as prepaid expenses and allocated to production and business costs using the straight-line method over a maximum period of three years in accordance with current accounting regulations.

**Payables**

Accounts payable are monitored in detail by payable terms, payable parties, original currency, and other factors depending on the Company's managerial requirements. Accounts payable to suppliers include trade payables arising from buying-selling transactions and payables for import through entrusted (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the combined financial statements based on the remaining years of these payables at the reporting date.

**Accrued expenses**

Accrued expenses are recognized for the amount to be paid in the future for goods and services received, whether or not billed to the Company or lack of accounting document, which are recognized as operating expenses of the reporting year.

**Borrowings and finance lease liabilities**

Borrowings and finance lease liabilities including loans, finance lease debt, excluding loans in the form of bonds or preferred shares with provisions that oblige the issuer to repurchase at a certain time in the future. The Company records borrowings in detail by debtors and classifies them into short-term and long-term borrowings based on their remaining period from the balance sheet date to the maturity date.

Costs directly attributable to borrowings are recognized as financial expenses, except for borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets which are capitalized in accordance with the accounting standard "Borrowing costs".

**Owner's equity**

Owner's equity is recognized by actual capital contributions from shareholders.

Share premium is recognized by the larger or smaller difference between issuing price and par value of shares upon the initial public offering, additional issue, or re-issue of treasury shares. Direct expenses related to the additional issuance of shares and the re-issuance of treasury shares are recorded as a reduction in share premium.

Other capital of the owner reflects the amount of business capital formed due to additions from business results or due to gifts, donations, sponsorships, or revaluation of assets (if these amounts are allowed to be recorded as increases, reduce the owner's investment capital).

Retained earnings are recognized by operating results less (-) current corporate income tax expense and adjustments due to the retrospective application of changes in accounting policies and the retrospective adjustments for material misstatements of prior periods.

Dividends are declared and paid in the following year from retained earnings based on the approval of shareholders at the Company's Annual General Meeting.

Appropriation of reserves and funds from profit after tax is based on the Company's ordinance and approval in the Annual General Meeting.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Owner's equity (continued)**

Construction investment fund represents the actual funds allocated by the People's Committee of Lam Dong Province to finance the construction of public utility projects. Upon completion and final settlement of the projects, the Company recognizes an increase in fixed assets and the corresponding funding source that has financed in construction of these fixed assets. These assets are operated and managed by the Company on behalf of the State.

**Revenue recognition**

Revenue from sales of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably. Where 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 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);
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company's primary revenue comes from the supply of clean water to residents in Lam Dong Province, with water pricing determined by the People's Committee of the Lam Dong province for each specific period. The water price is only adjusted based on the approval by the competent state authority.

Revenue from services rendered

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

- The amount of revenue can be measured reliably. Where the contract stipulates that the buyer is entitled to return the supplied service under specific conditions, revenue is recognized only when those specific conditions no longer exist, and the buyer is not entitled to return the service;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income from financial investments

Interest on deposits is recognized on an accrual basis, determined on the balance of the deposit accounts and the applicable interest rate unless recoverability of the interest is uncertain.

Profits from capital investments in other entities are recognized when the Company has the right to receive the profits.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Cost of sales**

Cost of goods sold and services rendered are recorded at actually incurred amount and aggregated by value and quantity of finished goods, merchandise, and materials sold and services rendered to customers, conforming to the matching principle and the precautionary principle. The costs exceeded normal levels of inventory and services are recognized immediately in operating results in the year.

**Borrowing costs**

Borrowing costs are recognized in the statement of income when incurred unless they are capitalized 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 capitalized even when the construction period is under 12 months.

**Taxation**

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. 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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Earnings per shares**

Basic earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjusting for appropriation for bonus and welfare funds) by weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjusting for interest on convertible bonds with convertible rights) by the weighted average number of ordinary shares in circulation during the year and the weighted average number of ordinary shares to be issued in the case that all dilutive potential convertible bonds are converted into ordinary shares.

**Related parties**

The enterprises, associates, and individuals are considered to be related to the Company if one party has the ability, directly or indirectly through one or more intermediaries, to control over the other party or is under the control of the Company, or joint control with the Company; the associates and individuals directly or indirectly holding the voting power over the Company that exercise significant influence over the Company. Related parties may be the key management personnel, directors, and officers of the Company. Close family members of any individuals or associates herein or associates of these individuals are also considered as related parties.

In considering the relationship of each related party, the substance of the relationship is noted over the legal form.

**Segment report**

The Company's revenue primarily comes from the business of supplying clean water. Additionally, all of its operations take place within Lam Dong province. Therefore, the Company does not prepare segment reports based on business sectors or geographical areas.

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET****1. Cash and cash equivalents**

	Closing balance VND	Opening balance VND
Cash on hand	72,805,111	73,085,690
Demand bank deposits	34,111,989,677	38,501,021,405
Cash equivalents (i)	10,200,701,599	-
<b>Total</b>	<b>44,385,496,387</b>	<b>38,574,107,095</b>

(i) Cash equivalents at the end of the year represents the one-month term deposit at Nam A Commercial Joint Stock Bank – Lam Dong Branch.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**2. Short-term trade receivables**

	Closing balance VND	Opening balance VND
Receivables from customers using clean water Da Lat Investment Management and Irrigation Works Operation Center	2,377,336,487	2,117,470,920
Other customers	2,304,567,807	2,550,288,718
	570,751,804	951,614,521
<b>Total</b>	<b>5,252,656,098</b>	<b>5,619,374,159</b>

**3. Short-term advances to suppliers**

	Closing balance VND	Opening balance VND
Water Supply Sewerage Construction and Investment Joint Stock Company	9,596,724,179	-
Lam Dong Consultant Joint Stock Company for Construction of Sewerage and Water Supply	274,376,060	164,882,000
Other suppliers	48,250,001	440,334,406
<b>Total</b>	<b>9,919,350,240</b>	<b>605,216,406</b>

The advance payment to Water Supply Sewerage Construction and Investment Joint Stock Company relates to the construction of the Mang Lin booster pumping station in Da Lai City, Lam Dong Province in accordance with Construction Contract No. 46/2025/HD-CTN-WSC dated 2 July 2025 signed between the two parties.

**4. Other receivables**

	Closing balance VND	Opening balance VND
Interest receivable from time deposits	23,229,606,218	23,478,937,839
Drainage and Wastewater Treatment Project Management Unit (i)	2,262,265,614	2,262,265,614
Remuneration advanced to the Board of Directors and Supervisors (ii)	1,010,240,000	1,010,240,000
Deposits, pledges and mortgages	206,500,000	221,380,000
Other receivables	1,050,436,938	669,170,776
<b>Total</b>	<b>27,769,138,770</b>	<b>27,641,994,229</b>

(i) The balance represents a receivable relating to management expenses incurred in excess of the approved norm by the Project Management Unit of the Drainage and Wastewater Treatment Project. Based on the assessment of the Board of Management regarding the recoverability of this receivable, the Company fully provided for this amount in prior financial years.

(ii) This represents advances of remuneration paid during the year to the Company's Board of Directors and Supervisory Board. Such remuneration will be offset against profit after tax for the year upon approval by the General Meeting of Shareholders.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**5. Provision for short-term doubtful debts**

	Closing balance		Opening balance	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Short-term trade receivables	2,029,036,810	-	1,766,309,801	-
Other short-term receivables	2,262,265,240	-	2,262,265,200	-
<b>Total</b>	<b>4,291,302,050</b>	<b>-</b>	<b>4,028,575,001</b>	<b>-</b>

Movements in provision for doubtful debts during the year are as follows:

	Current year VND	Prior year VND
Opening balance	(4,028,575,001)	(3,961,814,001)
Additional made for the year	(262,727,049)	(66,761,000)
<b>Closing balance</b>	<b>(4,291,302,050)</b>	<b>(4,028,575,001)</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**6. Inventories**

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	10,167,765,156	(3,194,180,624)	9,737,232,268	(3,471,765,433)
Tools and supplies	1,505,922,125	-	1,341,433,723	-
Work in progress	-	-	29,697,516	-
<b>Total</b>	<b>11,673,687,281</b>	<b>(3,194,180,624)</b>	<b>11,108,353,507</b>	<b>(3,471,765,433)</b>

Movements in provision for devaluation of inventories during the year are as follows:

	Current year VND	Prior year VND
<b>Opening balance</b>	<b>(3,471,765,433)</b>	<b>(3,099,513,166)</b>
Reversal/(additional) provision made for the year	277,584,809	(372,252,267)
<b>Closing balance</b>	<b>(3,194,180,624)</b>	<b>(3,471,765,433)</b>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**7. Tangible fixed assets**

Cost	Buildings and structures	Machinery and equipment	Motor vehicles and transmission systems	Office equipment	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
<b>Opening balance</b>	<b>217,007,344,042</b>	<b>69,091,947,400</b>	<b>669,182,282,286</b>	<b>52,322,724,414</b>	<b>43,536,396,055</b>	<b>1,051,140,694,197</b>
Purchases during the year	2,763,421,448	4,455,524,482	1,908,645,890	2,556,826,106	1,152,868,588	12,897,286,514
Transfer from construction in progress	1,457,666,356	4,209,070,818	6,375,886,711	1,184,612,618	1,063,584,735	14,290,821,238
<b>Closing balance</b>	<b>221,228,431,846</b>	<b>77,756,542,700</b>	<b>677,526,814,887</b>	<b>56,064,163,138</b>	<b>45,752,849,378</b>	<b>1,078,328,801,949</b>
<b>Accumulated depreciation</b>						
<b>Opening balance</b>	<b>136,196,613,408</b>	<b>37,952,554,636</b>	<b>389,412,101,658</b>	<b>34,581,623,280</b>	<b>17,847,800,324</b>	<b>615,990,693,306</b>
Charged for the year	6,296,535,584	5,063,445,914	19,815,849,186	5,164,001,158	2,280,172,579	38,620,004,421
<b>Closing balance</b>	<b>142,493,148,992</b>	<b>43,016,000,550</b>	<b>409,227,950,844</b>	<b>39,745,624,438</b>	<b>20,127,972,903</b>	<b>654,610,697,727</b>
<b>Net book value</b>						
<b>Opening balance</b>	<b>80,810,730,634</b>	<b>31,139,392,764</b>	<b>279,770,180,628</b>	<b>17,741,101,134</b>	<b>25,688,595,731</b>	<b>435,150,000,891</b>
<b>Closing balance</b>	<b>78,735,282,854</b>	<b>34,740,542,150</b>	<b>268,298,864,043</b>	<b>16,318,538,700</b>	<b>25,624,876,475</b>	<b>423,718,104,222</b>

The historical cost of tangible fixed assets that have been fully depreciated but still in use as at the end of the year and the beginning of the year are VND 232,655,741,518 and VND 222,505,829,626, respectively.

The Company has pledged certain assets as collateral for loans under agreements with the Ministry of Finance. The residual value of the mortgaged assets as at the end of the year and the beginning of the year is VND 246,610,939,265 and VND 263,505,731,349, respectively (see details in Note V.19).

In 2025, the Company commenced the investment project for the construction of the Mang Lin booster pumping station located in Da Lat City, Lam Dong Province, with a total approved investment of VND 41 billion as approved by the 2025 Annual General Meeting of Shareholders. As disclosed in Note V.3, the Company entered into a construction contract with Water Supply Sewerage Construction and Investment Joint Stock Company to implement this project. As at 31 December 2025, the advance payments made under this contract amounted to VND 9,596,724,179.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)

## 8. Intangible fixed assets

	Land use rights	Software program	Total
	VND	VND	VND
<b>Cost</b>			
Opening balance & closing balance	<b>737,591,000</b>	<b>1,821,000,000</b>	<b>2,558,591,000</b>
<b>Accumulated amortisation</b>			
Opening balance	224,117,807	698,084,657	922,202,464
Charged for the year	14,751,820	184,100,001	198,851,821
Closing balance	<b>238,869,627</b>	<b>882,184,658</b>	<b>1,121,054,285</b>
<b>Net book value</b>			
Opening balance	513,473,193	1,122,915,343	1,636,388,536
Closing balance	<b>498,721,373</b>	<b>938,815,342</b>	<b>1,437,536,715</b>

## 9. Long-term construction in progress

	Closing balance	Opening balance
	VND	VND
Water supply pipeline renovation and renovation project	2,401,527,985	1,037,602,341
Mang Lin Booster Pumping Station Project (i)	909,998,382	-
Other projects	1,481,376,163	1,545,902,567
<b>Total</b>	<b>4,792,902,530</b>	<b>2,583,504,908</b>

(i) The balance represents initial costs incurred of Mang Lin booster pumping station project in Da Lat city, Lam Dong Province (see details in Note V.7), including consultancy costs for the preparation and appraisal of the feasibility study report; consultancy services for design and design appraisal; and consultancy services for the preparation and appraisal of bidding documents, etc.

Movements in construction in progress during the year are as follows:

	Current year	Prior year
	VND	VND
Opening balance	<b>2,583,504,908</b>	<b>1,476,219,649</b>
Increase during the year	24,563,898,542	22,242,627,482
Transfer to tangible asset	(14,290,821,238)	(16,920,439,522)
Transfer to prepayment	(4,075,807,798)	(3,096,645,039)
Charge to expenses	(3,987,871,884)	(1,118,257,662)
Closing balance	<b>4,792,902,530</b>	<b>2,583,504,908</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)

## 10. Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
<b>Short-term</b>				
Time deposit	7,001,096,381	7,001,096,381	13,839,258,639	13,839,258,639
<b>Long-term</b>				
Time deposit	637,970,000,000	637,970,000,000	653,220,000,000	653,220,000,000
<b>Total</b>	<b>644,971,096,381</b>	<b>644,971,096,381</b>	<b>667,059,258,639</b>	<b>667,059,258,639</b>

According to the Resolution No. 04/2018/NQ-HDQT dated 16 July 2018 of the Company's Board of Directors, proceeds from the share issuance were retained for reinvestment to develop the Company. This policy was further approved by the General Meeting of Shareholders in Resolution No. 01/2019/NQ-DHDCD dated 20 June 2019. The money is currently being deposited at Nam A Commercial Joint Stock Bank - Lam Dong with terms ranging from over 12 months to 84 months and bearing interest rates for the year fluctuating from 4.75% to 8.0% per annum.

## 11. Long-term prepayment

	Closing balance	Opening balance
	VND	VND
Additional value from revaluation of distribution pipeline systems (i)	4,734,694,365	6,633,775,071
Tools and supplies issued for consumption	1,566,690,399	2,188,413,314
Cost of installing water meters and distribution pipeline systems	1,133,411,550	66,822,531
Other long-term prepayments	720,828,300	-
<b>Total</b>	<b>8,155,624,614</b>	<b>8,889,010,916</b>

(i) This represents the additional value from revaluation of the distribution pipeline system according to the enterprise valuation file during the equitization process. The Company allocates this cost over 10 years. As of 31 December 2025, the Company has allocated this cost to production costs for 7 years.

Movements in long-term prepayment during the year are as follows:

	Current year	Prior year
	VND	VND
Opening balance	<b>8,889,010,916</b>	<b>10,637,879,499</b>
Increase during the year	1,327,938,275	1,091,094,163
Transfer from construction in progress	1,339,995,381	1,116,467,682
Allocate for the year	(3,401,317,958)	(3,956,430,428)
Closing balance	<b>8,155,624,614</b>	<b>8,889,010,916</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)****12. Deferred tax assets**

	Closing balance VND	Opening balance VND
Opening balance	759,637,057	449,615,593
Charge to profit or loss	65,638,188	310,021,464
<b>Closing balance</b>	<b>825,275,245</b>	<b>759,637,057</b>

Corporate income tax rate used to calculate deferred tax 20%

The Company recognises the impairment costs of obsolete, damaged, and substandard inventories as deductible expenses when calculating corporate income tax in the period of inventory liquidation. Therefore, the provisions made for these inventories as of 31 December 2025 have been excluded from deductible expenses in the corporate income tax finalisation, with a total value of VND 4,126,376,225. The Company may use these expenses to deduct from taxable income in the future when the inventories are liquidated.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)****13. Long-term reserved spare parts**

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Long-term reserved spare parts	5,766,885,582	(1,501,511,204)	6,597,251,524	(897,320,882)
			6,597,251,524	(897,320,882)
				5,699,930,642

Movements in provision for long-term reserved spare parts during the year are as follows:

	Current year VND	Prior year VND
Opening balance	(897,320,882)	-
Additional provision made for the year	(504,190,322)	(897,320,882)
<b>Closing balance</b>	<b>(1,501,511,204)</b>	<b>(897,320,882)</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)

## 14. Short-term trade payables

As at the end of the financial year, the carrying amounts of short-term trade payables approximate their amounts able to be paid off. Details are as follows:

	Closing balance VND	Opening balance VND
Sai Gon Dan Kia Water Supply Corporation	9,801,519,412	11,068,017,796
Lam Dong Irrigation Investment & Exploitation Management Center	588,870,000	772,672,500
Thanh Dung Trading Company Limited	411,048,000	-
Sai Gon Technology Company Limited	282,524,400	148,897,100
Other suppliers	739,421,249	569,937,480
<b>Total</b>	<b>11,823,383,061</b>	<b>12,559,524,866</b>

The amount due to Sai Gon Dan Kia Water Supply Corporation presents the cost of purchasing clean water in November and December 2025, according to the wholesale purchase contract No. 01-01/HD-MBNS dated 30 December 2010 and appendix No. 04/2023/PLHD/HD-MBNS dated 30 November 2023 signed between the two parties herein.

## 15. Short-term advances from customers

	Closing balance VND	Opening balance VND
DL Royal Joint Stock Company	200,343,892	200,343,892
Customer installing distribution pipes	103,891,422	81,597,911
Petrolimex Lam Dong Commercial and Service Joint-Stock	-	137,994,613
Other customers	-	57,620,098
<b>Total</b>	<b>304,235,314</b>	<b>477,556,514</b>

## 16. Taxes and amounts payable to the State budget

	Opening balance VND	Payable during the year VND	Payment during the year VND	Closing balance VND
Value added tax	35,981,718	7,465,123,279	7,330,855,074	170,249,923
Corporate income tax	6,817,896,195	20,469,426,871	23,030,934,910	4,256,388,156
Personal income tax	186,062,017	1,930,172,175	1,617,264,122	498,970,070
Environmental protection fees	1,731,336,006	21,885,109,574	21,927,462,125	1,688,983,455
Natural resource tax	94,420,613	1,133,930,394	1,133,922,420	94,428,587
Land rental	-	469,472,377	469,472,377	-
Non-agricultural land use tax	-	20,475,516	20,475,516	-
Business license tax	-	15,000,000	15,000,000	-
<b>Total</b>	<b>8,865,696,549</b>	<b>53,388,710,186</b>	<b>55,545,386,544</b>	<b>6,709,020,191</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)

## 17. Short-term accrued expenses

	Closing balance VND	Opening balance VND
DL Royal Joint Stock Company	200,343,892	200,343,892
Customer installing distribution pipes	103,891,422	81,597,911
Petrolimex Lam Dong Commercial and Service Joint-Stock	-	137,994,613
Other customers	-	57,620,098
<b>Total</b>	<b>304,235,314</b>	<b>477,556,514</b>

## 18. Other current payables

	Closing balance VND	Opening balance VND
<b>a. Current payables</b>		
Payables on equitization (i)	887,096,381	839,258,639
Other payables	536,529,266	783,020,474
<b>Total</b>	<b>1,423,625,647</b>	<b>1,622,279,113</b>
<b>b. Non-current payables</b>		
Deposits received	521,966,354	505,517,706
<b>Total</b>	<b>1,945,592,001</b>	<b>2,127,796,819</b>

(i) The closing balance represents amounts payable to shareholders arising during the period in which the Company's bank accounts were frozen in connection with the equitisation process. As at the reporting date, the Company is coordinating with the shareholders to agree on a resolution plan and to arrange for the repayment of these amounts.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS** (continued)  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET** (continued)

**19. Loans and obligations under finance leases**

	Closing balance VND	Increase VND	Decrease VND	Opening balance VND
<b>a. Short-term loans</b>				
Current portion of long-term loan (see in Note b)	22,793,678,239			22,793,678,239
<b>b. Long-term loans</b>				
Loan financing for Da Lat city water supply project (i)	134,653,425,808	-	16,831,678,226	151,485,104,034
Loan financing for Lam Dong province water supply subproject (ii)	26,827,918,341	-	5,961,999,999	32,789,918,340
Less: Amount due for settlement in 12 months	(22,793,678,239)			(22,793,678,239)
<b>Total</b>	<b>138,687,665,910</b>			<b>161,481,344,135</b>
<b>Total of loans</b>	<b>161,481,344,149</b>	<b>-</b>	<b>22,793,678,225</b>	<b>184,275,022,374</b>

As at the end of the financial year, the carrying amount is also amount able to be paid off.

(i) Loan financing for Da Lat city (previous address) water supply project:

The loan was implemented under the subsidiary loan agreement between the Ministry of Finance of Vietnam and Lam Dong Water Supply and Sewerage Single-Member Limited Liability Company (now Lam Dong Water Supply and Sewerage Joint Stock Company) dated 28 December 2011, regarding the utilization of a portion of Credit No. 4948-VN from the International Development Association (IDA). The purpose of this loan is to finance the investment in the construction, upgrading, and expansion of the Da Lat City water supply system under the Urban Water Supply and Wastewater Project. The maximum loan limit is USD 13,184,521, equivalent to VND 274,422,627,526 at the time of approval. The loan has a term of 20 years commencing on the first disbursement date. The applicable interest rate throughout the loan period is 6.75% per annum, plus an additional 0.2% per annum on the outstanding loan balance, subject to periodic adjustments. The collateral and security for this loan include the office building located at 50 Hung Vuong Street, Lam Vien - Da Lat Ward, Lam Dong Province; the Hung Vuong booster pumping station; six reservoirs ((Mong Mo, Thai Phien, Resimair, Mang Lin, Cao Thang, Van Thanh); and the transmission, distribution, service pipeline system, and household connection equipment under the Da Lat City (previous address) water supply and wastewater system expansion and upgrade project.

(ii) Loan financing for Lam Dong province water supply subproject:

The loan was implemented under the on-lending agreement between the Ministry of Finance of Vietnam and the Company dated 16 December 2009, regarding the utilization of a portion of Credit No. 4028-VN from the International Development Association (IDA). The purpose of this loan is to finance the Sub-Project for Domestic Water Supply for six towns in Lam Dong Province, including Lien Trung, Tan Ha Lam Ha Commune; Tam Xa Hamlet, Nam Ban Lam Ha Commune; Hamlet 6, Da Huoi Commune; Da Huoi 2 Commune; Hoa Binh D'ran Hamlet; Centre of Dam Rong 2 Commune, within the framework of the Vietnam Urban Water Supply Development Project. The loan can be drawn up to the maximum of VND 137.96 billion with a term of 20 years commencing on the first disbursement date. The applicable interest rate throughout the loan period is 3% per annum. The collateral for this loan includes machinery and equipment, pipeline systems, internal roads, auxiliary structures, and water tanks; administrative buildings, warehouses, chemical storage facilities, water intake structures (intake works and raw water pumping stations), and booster pumping stations of the six water supply plants (Tan Ha, Nam Ban, Madaqui, Dam Bri, D'ran, and Dam Rong 2) under the Vietnam urban water supply development project.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET**  
(continued)

**19. Loans and obligations under finance leases** (continued)

The long-term loans are repayable under the following schedule:

	Closing balance VND	Opening balance VND
On demand	22,793,678,239	22,793,678,239
In the second year	22,793,678,239	22,793,678,239
In the third to fifth year inclusive	68,381,034,723	68,381,034,723
After five years	47,512,952,948	70,306,631,173
<b>Total</b>	<b>161,481,344,149</b>	<b>184,275,022,374</b>
Less: Amount due for settlement in 12 months	(22,793,678,239)	(22,793,678,239)
<b>Amount payable after 12 months</b>	<b>138,687,665,910</b>	<b>161,481,344,135</b>

**20. Bonus and welfare funds**

	Current year VND	Prior year VND
<b>Opening balance</b>	<b>7,767,327,958</b>	<b>3,681,085,206</b>
Appropriation of funds during the year	27,324,925,325	21,679,322,745
Utilization of funds during the year	(25,467,619,329)	(17,593,079,993)
<b>Closing balance</b>	<b>9,624,633,954</b>	<b>7,767,327,958</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**21. Owner's equity**

**a) Movement of owner's equity**

	Owner's contributed VND	Share premium VND	Other owner's capital VND	Investment and development VND	Retained earnings VND	Construction investment fund VND	Total VND
<b>Prior year's opening balance</b>	<b>788,000,000,000</b>	<b>28,512,122,705</b>	<b>19,057,709,405</b>	<b>6,296,555,117</b>	<b>79,056,153,431</b>	<b>11,330,524,372</b>	<b>932,253,065,030</b>
Net profit for the year	-	-	-	-	99,701,980,942	-	99,701,980,942
Dividend paid	-	-	-	-	(40,188,000,000)	-	(40,188,000,000)
Appropriation of bonus and welfare fund	-	-	-	-	(21,679,322,745)	-	(21,679,322,745)
Appropriation of investment and development fund	-	-	-	15,811,230,686	(15,811,230,686)	-	-
Remuneration of the executive board	-	-	-	-	(1,377,600,000)	-	(1,377,600,000)
<b>Current year's opening balance</b>	<b>788,000,000,000</b>	<b>28,512,122,705</b>	<b>19,057,709,405</b>	<b>22,107,785,803</b>	<b>99,701,980,942</b>	<b>11,330,524,372</b>	<b>968,710,123,227</b>
Net profit for the year	-	-	-	-	80,369,210,298	-	80,369,210,298
Dividend paid	-	-	-	-	(48,068,000,000)	-	(48,068,000,000)
Appropriation of bonus and welfare fund (i)	-	-	-	-	(27,324,925,325)	-	(27,324,925,325)
Appropriation of investment and development fund (i)	-	-	-	22,931,455,617	(22,931,455,617)	-	-
Remuneration of the executive board (i)	-	-	-	-	(1,377,600,000)	-	(1,377,600,000)
Other decreases (ii)	-	-	-	-	(1,113,778,523)	-	(1,113,778,523)
<b>Current year's closing balance</b>	<b>788,000,000,000</b>	<b>28,512,122,705</b>	<b>19,057,709,405</b>	<b>45,039,241,420</b>	<b>79,255,431,775</b>	<b>11,330,524,372</b>	<b>971,195,029,677</b>

(i) The appropriation of bonus and welfare funds, and investment and development fund and remuneration for the Board of Directors and Supervisory for 2024 are carried out in accordance with the Resolution No. 01/2025/NQ-DHDCD of the 2025 Annual General Meeting of Shareholders dated 29 April 2025.

(ii) This represents the amount payable to the State under Decision No. 1381/QĐ-UBND dated 25 June 2025 regarding the approval of the value of the State's capital contribution at the time the Company (formerly Lam Dong Water Supply and Sewerage One Member Limited Liability Company) being officially converted into a joint-stock company.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**

**21. Owner's equity (continued)**

**b) Detail of owner's contributed capital**

Name of shareholders	At the end of the year		At the beginning of the year	
	Number of shares	Proportion (%)	Number of shares	Proportion (%)
State Capital Investment Corporation	31,512,924	39.99%	31,512,924	39.99%
Thuy Anh Water Supply Sewerage Joint Stock Company	12,502,601	15.87%	12,502,601	15.87%
Mesa Asia Pacific Trading Services Company Limited	10,735,182	13.62%	10,735,182	13.62%
Golden Stream Joint Stock Company	9,000,000	11.42%	9,000,000	11.42%
Ms. Truong Thi My An	-	-	13,975,893	17.74%
Other shareholders	15,049,293	19.10%	1,073,400	1.36%
<b>Total</b>	<b>78,800,000</b>	<b>100.00%</b>	<b>78,800,000</b>	<b>100.00%</b>
			<b>Carrying amount VND</b>	<b>Carrying amount VND</b>
			315,129,240,000	315,129,240,000
			125,026,010,000	125,026,010,000
			107,351,820,000	107,351,820,000
			90,000,000,000	90,000,000,000
			-	139,758,930,000
			150,492,930,000	10,734,000,000
			<b>788,000,000,000</b>	<b>788,000,000,000</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)

## 21. Owner's equity (continued)

## c) Shares

	Closing balance Shares	Opening balance Shares
Number of shares authorized to be issued	78,800,000	78,800,000
Number of shares issued to the public	78,800,000	78,800,000
+ Ordinary shares	78,800,000	78,800,000
Number of outstanding shares in circulation	78,800,000	78,800,000
+ Ordinary shares	78,800,000	78,800,000
Par value is of VND 10,000/share		

## d) Dividends

According to the Resolution No. 01/2025/NQ-DHDCD of the 2025 Annual General Meeting of Shareholders dated 29 April 2025, the dividend for 2024 was approved with a total amount of VND 48,068,000,000, equivalent to 610 VND per share. During the year, the Company fully paid this dividend to its shareholders.

The planned dividend for 2025 is expected to be paid at a rate of greater than or equal to 4.85%, equivalent to greater than or equal to VND 485 per outstanding share. The final dividend payout level will be approved at the Annual General Meeting of Shareholders in the following year.

## 22. Off-balance sheet items

## a) Foreign currencies

	Closing balance Currency	Opening balance Currency
US Dollar (USD)	67.15	67.15

## b) Bad debt written off

	Closing balance VND	Opening balance VND
Water receivables incurred prior 1999	23,958,182	23,958,182
Other receivables	13,578,000	13,578,000
<b>Total</b>	<b>37,536,182</b>	<b>37,536,182</b>

## VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT

## 1. Revenue from goods sold and services rendered

	Current year VND	Prior year VND
Revenue from supplying clean water	288,984,252,375	291,335,393,098
Revenue from wastewater treatment	19,350,691,055	19,315,104,870
Revenue from construction and installation of water supply systems	10,326,720,467	7,808,891,099
Other revenue	960,043,179	1,226,840,548
<b>Total</b>	<b>319,621,707,076</b>	<b>319,686,229,615</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT (continued)

## 2. Cost of sales

	Current year VND	Prior year VND
Cost of clean water supplied	206,111,177,391	203,089,436,820
Cost of wastewater treatment	17,440,912,477	16,157,628,384
Cost of construction and installation of water supply system	8,622,727,348	6,675,886,137
Other cost of sales	385,586,560	996,899,632
Provision for devaluation of inventories	326,605,512	1,269,573,149
<b>Total</b>	<b>232,887,009,288</b>	<b>228,189,224,122</b>

## 3. Financial income

	Current year VND	Prior year VND
Bank interest income	47,631,866,739	53,326,393,735
Gains on divestment of associates	-	15,309,740,962
Profits and dividends received	-	685,000,000
<b>Total</b>	<b>47,631,866,739</b>	<b>69,321,134,697</b>

Of which, financial income from transactions with related parties (see details in Note VII.1)

-	685,000,000
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## 4. Financial expenses

	Current year VND	Prior year VND
Interest expense	11,159,185,190	12,555,962,887
Disposal expense of associates	-	590,745,630
<b>Total</b>	<b>11,159,185,190</b>	<b>13,146,708,517</b>

## 5. Selling expenses

	Current year VND	Prior year VND
Connection maintenance expenses	5,342,312,656	4,133,468,134
Outsourced service expenses and other monetary expenses	52,150,294	65,202,575
<b>Total</b>	<b>5,394,462,950</b>	<b>4,198,670,709</b>

## 6. General and administration expenses

	Current year VND	Prior year VND
Labour cost	3,243,227,580	3,915,033,610
Tool and stationary expenses	257,471,650	485,550,782
Depreciation of fixed assets	596,810,964	446,533,004
Tax, duties and fees	170,073,600	260,913,011
Provision for bad debts	263,969,385	66,761,000
Outsourced service expenses and other monetary expenses	11,637,653,932	13,084,040,464
<b>Total</b>	<b>16,169,207,111</b>	<b>18,258,831,871</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT (continued)

## 7. Other income and other expense

	Current year VND	Prior year VND
<b>Other income</b>		
Income from disposal of fixed assets	-	375,818,091
Other income	363,571,185	243,490,575
<b>Total</b>	<b>363,571,185</b>	<b>619,308,666</b>
<b>Other expense</b>		
Depreciation of unused assets	1,044,775,439	1,058,024,024
Expenses for penalty	34,118,352	3,604,694
Other expenses	155,387,689	100,095,679
<b>Total</b>	<b>1,234,281,480</b>	<b>1,161,724,397</b>
<b>Loss from other activities</b>	<b>(870,710,295)</b>	<b>(542,415,731)</b>

## 8. Current corporate income tax expense

	Current year VND	Prior year VND
<b>Accounting profit before tax</b>	<b>100,772,998,981</b>	<b>124,671,513,362</b>
<b>Adjustments for taxable income:</b>		
Add back: Non-deductible expenses	1,574,135,375	2,411,256,057
Less: Non-taxable income	-	(685,000,000)
<b>Taxable income</b>	<b>102,347,134,356</b>	<b>126,397,769,419</b>
Loss carried forward	-	-
<b>Assessable income</b>	<b>102,347,134,356</b>	<b>126,397,769,419</b>
Normal tax rate	20%	20%
<b>Current corporate income tax expense</b>	<b>20,469,426,871</b>	<b>25,279,553,884</b>

## 9. Production cost by nature

	Current year VND	Prior year VND
Material cost	112,447,823,549	113,328,462,080
Labour cost	67,411,358,068	63,767,099,946
Depreciation of fixed assets	37,774,080,803	39,299,977,841
Connection maintenance expenses	5,342,312,656	4,133,468,134
Vehicle fuel and repair expenses	4,584,185,633	4,472,658,824
Provision/(reversal) expenses	590,574,897	1,336,334,149
Outsourced service expenses and other monetary expenses	26,300,343,743	24,308,725,728
<b>Total</b>	<b>254,450,679,349</b>	<b>250,646,726,702</b>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

## VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT (continued)

## 10. Earnings per share

## Basic earnings per share

	Current year VND	Prior year VND
Net profit after corporate income tax	80,369,210,298	99,701,980,942
Less: Amount appropriated for Bonus and welfare funds and remuneration and rewards for the executive board	(26,641,749,499)	(28,702,525,325)
<b>Earnings for the purposes of calculating basic earnings per share</b>	<b>53,727,460,799</b>	<b>70,999,455,617</b>
Weighted average of shares outstanding in the year	78,800,000	78,800,000
<b>Basic earnings per share</b>	<b>682</b>	<b>901</b>

The provisions for the bonus and welfare funds, and remuneration and rewards for the executive bonuses for this year, which is deducted from the profit for calculating basic earnings per share, are estimated based on the profit distribution plan for 2025 that the Company's General Director is going to present to the Shareholders in the upcoming Annual General Meeting.

## Diluted earnings per share:

Diluted earnings per share: The Company has no potential ordinary shares that would dilute earnings per share during the financial year and as at the date of these financial statements. Accordingly, diluted earnings per share are equal to basic earnings per share.

## VII. OTHER INFORMATION

## 1. Related party transactions and balances

## List of related parties

	Relationship
Mr. Phan Dinh Tan	Chairman
Mr. Nguyen Hung Cuong	Member and General Director
Mr. Tran Quoc Hung	Member
Mr. Do Van Ha	Member
Mr. Nguyen Van Dung	Member and Deputy General Director

Remunerations for the Boards of Directors, Management and Supervisors during the year are as follows:

Name	Position	Current year VND	Prior year VND
<b>The Boards of Directors and Management</b>			
Mr. Phan Dinh Tan	Chairman	617,519,975	639,791,875
Mr. Nguyen Hung Cuong	Member and General Director	1,764,459,352	1,547,634,552
Mr. Tran Quoc Hung	Member of the Board of Directors	250,511,984	243,907,126
Mr. Nguyen Van Dung	Member and Deputy General Director	1,070,833,890	973,446,562
Mr. Do Van Ha	Member of the Board of Directors	250,511,984	195,079,156
Mr. Duong Tien Dung	Member of the Board of Directors (resigned)	-	48,827,968
		<b>3,953,837,185</b>	<b>3,648,687,239</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

**VII. OTHER INFORMATION (continued)**

**1. Related party transactions and balances (continued)**

**Remunerations for the Boards of Directors, Management and Supervisors during the year (continued)**

Name	Position	Current year VND	Prior year VND
<b>The Board of Supervisory</b>			
Ms. Nguyen Thi My Van	Head of the Board	567,026,151	592,228,344
Mr. Pham Van Khoa	Member	147,179,993	121,262,982
Ms. Nguyen Thy Phuong	Member	147,179,993	121,262,982
Mr. Tran Van Thuan	Member (resigned)	-	27,644,988
Ms. Vy Thi Be	Member (resigned)	-	27,644,988
		<b>861,386,137</b>	<b>890,044,284</b>
Mr. Bui Hoang Truong Vi	Chief Accountant	798,464,762	649,091,188

**2. Operating lease commitments**

The Company entered into the land lease Contract No. 134/HD-TD for a land lot located at 50 Hung Vuong Street, Lam Vien - Da Lat Ward, Lam Dong Province. The lease term is 50 years commencing on 12 May 2014. The total leased land area is 1,671.91 m<sup>2</sup>. Under this contract, the Company is required to pay annual land rental fees until the contract maturity date, in accordance with the prevailing regulations of the State.

In addition, the Company also leases land from the State at various locations in Lam Dong Province for use as production and business facilities.

The land rental unit price is determined and adjusted periodically based on the Government's regulations on land and water surface rental fees.

**3. Irrevocable commitment**

As of the end of the fiscal year, the Company entered into the following non-cancellable commitments:

- Wholesale Water Purchase Contract No. 01-01/HD-MBNS dated 30 December 2010, and Appendix No. 04/2023/PLHD/HD-MBNS regarding the adjustment of the water unit price dated 30 November 2023 with Sai Gon Dan Kia Water Supply Corporation. The applicable clean water unit price effective from 01 December 2023 is VND 6,132/m<sup>3</sup>, excluding value-added tax, and remains valid until replaced by another appendix.
- Contract for centralized domestic wastewater treatment services in Da Lat City (previous address) with the Da Lat Irrigation Works Investment and Management Centre. The service price, including value-added tax, is VND 6,261/m<sup>3</sup>, in which connected organizations and individuals pay VND 3,198/m<sup>3</sup>, while the state budget subsidizes VND 3,063/m<sup>3</sup>.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2025

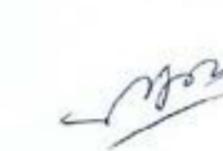
**VII. OTHER INFORMATION (continued)**

**4. Comparative figures**

Comparative figures are those of combined financial statements for the year ended 31 December 2024.

**5. Subsequent events**

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosure in the combined financial statements.



Tran Thi Tuyet Ngoc  
Preparer



Bui Hoang Truong Vi  
Chief Accountant



Nguyen Hung Cuong  
General Director

10 March 2026



**2025**

**ANNUAL REPORT**

*Lam Dong, March 25, 2026*

**LAM DONG WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY**

*CONFIRMATION OF THE COMPANY'S LEGAL REPRESENTATIVE*



*TỔNG GIÁM ĐỐC  
Nguyễn Hùng Cường*



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