CÔNG TY CỔ PHẦN ĐIỆN NƯỚC LẮP MÁY HẢI PHÒNG
HAIPHONG ELECTRICITY WATER MACHINE ASSEMBLY JSC
Đ/c: Số 34 đường Thiên Lôi, P. An Dương, Q. Lê Chân, TP. Hải Phòng, Việt Nam Tel: 0225.3856 209
Add: No.34 Thien Loi Street, An Duong Ward, Le Chan District, Hai Phong City, Vietnam Fax: 0225.3785 759
Website: www.diennuochp.com.vn * Email: dnc@diennuochp.com.vn * Mã chứng khoán/Stock symbol: DNC Hotline: 1900588802

No.: 14/BC-HĐQT *Hai Phong, March 15, 2025.*

REPORT
ON ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024 AND ORIENTATION AND STRATEGY FOR 2025

Respectfully submit to: 2025 Annual General Meeting of Shareholders
Hai Phong Electricity Water Machine Assembly Joint Stock Company

On behalf of the Board of Directors of Hai Phong Electricity Water Machine Assembly Joint Stock Company, the Chairman of the Board of Directors reports to the General Meeting of Shareholders on the Board of Directors' performance in 2024 and the orientation and strategy for 2025 as follows::

PART I. REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024

1. General assessment of the Board of Directors' activities in 2024:

Pursuant to the Enterprise Law No. 59/2020/QH14, the Charter of Organization and Operation, and the Company's Internal Governance Regulations. In 2024, the Board of Directors successfully organized the 2024 General Meeting of Shareholders, held 05 (five) regular Board of Directors meetings to focus on resolving issues under the authority of the Board of Directors and key issues related to the Company's business operations, such as directing the implementation of the 2024 Production and Business Plan as approved by the 2024 General Meeting of Shareholders; Implementing the Resolution of the 2024 General Meeting of Shareholders; At the same time, directing the Audit Committee and the Internal Audit Board to monitor and inspect the Company's internal control system and risk management; Directing the Executive Board in implementing the Resolution of the 2024 General Meeting of Shareholders and the Board of Directors in 2024. The Resolutions and decisions agreed upon by the Board of Directors are important orientations to help the Executive Board organize the implementation of production and business activities Hai Phong Electricity Water Machine Assembly Joint Stock Company to develop sustainably and effectively.

2. Periodical activities of the Board of Directors in 2024

In 2024, the Board of Directors held 05 periodical meetings to approve important issues, providing directions for the Company's production and business activities for the Board of Directors to implement specifically as follows:

2.1. Meeting 1 *(15th time, term 2021-2026)*, on January 25, 2024, approved the following contents: Report on business and production results, financial performance results in the fourth quarter of 2023 and the whole year of 2023. Business and production plan for 2024 and the first quarter of 2024. Plan for the 2024 Annual General Meeting of Shareholders; Date of closing the list of shareholders entitled to attend the 2024 Annual

General Meeting of Shareholders; Date of closing the list of shareholders entitled to receive the second dividend in 2023. Internal audit plan for 2024; Consideration of additional salary from business performance in 2023 for managers in the Company's Executive Board.

2.2. Meeting 2 *(16th time, term 2021-2026)*, on March 12, 2024 approved the following contents: Program and documents for the 2024 Annual General Meeting of Shareholders; Expected personnel at the 2024 General Meeting of Shareholders: Presidium; Qualification Checking Committee, Vote Counting Committee, Secretariat; Personnel work: Re-appointment of the positions of General Director, Deputy General Director, Chief Accountant; Sending a working delegation to attend the Workshop on effective energy saving solutions and renewable energy development in Japan.

2.3. Meeting 3 *(17th time, term 2021-2026),* on April 24, 2024 approved the following contents: Report on production and business results for the first quarter, Production and business plan for the second quarter of 2024. Report on financial performance results for the first quarter of 2024; Personnel work: Re-appointment of the Director of An Duong Electricity Enterprise.

2.4. Meeting 4 *(18th time, term 2021-2026),* on August 06, 2024 approved the following contents: Report on production and business results, financial performance results in the second quarter and the first 6 months of 2024 and the Plan for the third quarter of 2024; Report on the implementation of the remote data transmission electronic meter project. Plan to receive the Ecopark Vinh - Nghe An Project's power system, establish Nghe An Branch; Report on the activities of the Audit Committee and the Internal Audit Committee in the first 6 months of 2024; Personnel work: Re-appointment of the Director of Vinh Bao Power Enterprise; Plan for interim dividend payment for the first period of 2024.

2.5. Meeting 5 *(19th time, term 2021-2026),* on October 30, 2024, approved the following contents: Report on production and business results for the third quarter of 2024, Production and business plan for the fourth quarter of 2024; Report on financial performance results for the third quarter of 2024 and the first 9 months of 2024; Draft Production and business plan for 2025.

3. Activities of independent Board members and Audit Committee

- The Audit Committee operates according to the Audit Committee's Operating Regulations under Decision No. 17/QD-HDQT dated May 10, 2021.

- Mr. Ta Van Son - an independent member of the Board of Directors, Chairman of the Audit Committee, has participated in the activities of the Board of Directors to supervise, advise and provide independent opinions on issues in the Company's production and business activities. At the same time, he directly directs and manages all activities of the Audit Committee.

- The Audit Committee (UBKT) has monitored the integrity of the Company's financial statements and official announcements related to the Company's financial results; reviewed the Internal Control and Risk Management system; reviewed transactions with related parties under the approval authority of the Board of Directors or the General Meeting of Shareholders and made recommendations on transactions requiring approval by the Board of Directors or the General Meeting of Shareholders;

supervised the Company's internal audit department; supervised to ensure that the Company complies with the provisions of the Law, requirements of the regulatory agency and other internal regulations of the Company; regularly monitored, advised and evaluated the independence and objectivity of the Company's production and business activities.

- In 2024, the Audit Committee coordinated with specialized departments to resolve and correct financial management violations at Thuy Nguyen Power Plant; violations in electricity business procedures at Ha Long Branch. The Audit Committee recommended that the Board of Directors direct the Board of Directors to take measures to correct loopholes and shortcomings.

4. Evaluation of the performance of the Board of Directors and subcommittees under the Board of Directors

4.1 Performance of the Board of Directors:

- The Board of Directors has seriously implemented the Resolutions of the 2024 General Meeting of Shareholders, the Resolutions of the Board of Directors and performed its functions and duties in accordance with the provisions of the Law and the Company's Charter.

- Under the increasingly fierce competition in the electricity business sector, while facing negative impacts in the world, many difficult challenges have been created in business operations. With practical and specific solutions, the Board of Directors has directed the leaders, employees of the functional departments, and workers in the Company to strive day and night to complete the set plan targets; Review, develop, and adjust new regulations and instructions in accordance with the actual business situation of the Company in 2024.

- Furthermore, the Board of Directors always closely follows the contents of the Resolution of the Board of Directors to organize the excellent implementation of the 2024 Production and Business Plan, the core task of the Company. Therefore, the Company's production and business process is always stable and developing, all targets are achieved and exceeded the plan set by the 2024 Shareholders' Meeting, specifically as follows:

*** Business and production results in 2024:**

No.	Target	Implemented in 2023	Year 2024		Comparison (%)	
			Plan	Implementation	TH 2024/ 2023	TH/KH 2024
I	Total revenue (VND million)	802.483	1.006.000	939.065	117	93
1	Electricity business	767.375	985.500	906.404	118	92
2	Water business	17.103	12.500	17.476	102	140
3	Other revenue	18.005	8.000	15.185	82	185
II	Electricity output (million kWh)	337	408	374	111	92
III	Water output (m^3)	1.043.000	870.000	1.017.100	98	117
IV	Electricity customers	84.243		90.199	107	
V	Water customers	4.686		4.775	102	
VI	Loss ratio					

1	Power loss(%)	4,1	4,0	4,1	0	0,1
2	Water loss(%)	5,7	4,0	5,1	-0,6	1,1
VII	Profit before tax (VND million)	48.075	50.500	53.194	111	106
VIII	Payable to the State budget (VND million)	18.527	20.500	21.470	116	105
IX	Charter capital (VND billion)	64,2	80,2	80,2	125	100
X	Dividend ratio - Cash - Bonus shares	=25%	≥ 20% ≥ 25%	= 25% = 25%		
XII	Number of employees	156		161	103	
XIII	Average salary (VND million/person/month)	12,6	13,8	13,9	110	101

- In 2024, the world situation continues to evolve in a complex and unpredictable manner with many risky and uncertain factors. Military conflicts continue to escalate, strategic competition between major countries becomes increasingly fierce, many countries strengthen trade protection policies, public debt and budget deficits increase, the decline of some major economies, and localized disruptions in the global supply chain have affected world peace, stability and economic growth. In 2024, domestic electricity prices will be adjusted up once, affecting domestic trade, services, and production and business activities. In the face of these difficulties, the Board of General Directors is still determined to complete production and business targets: Revenue increased by 17%, Profit increased by 11% compared to 2023.

- On September 25, 2024, the Company established Nghe An Branch to receive the Ecopark Vinh - Nghe An project power system of Viet Lao Economic Cooperation Corporation.

- Promote the application of information technology in the management and operation of the Company's production and business activities: Customer care; Zalo messaging application; Cashless payment of electricity and water bills; Replacing and converting the remote electronic meter system.

- Financial work is controlled, providing full and timely reporting data, serving the Board of Leaders well in internal management and administration. Financial reports and tax reports are strictly implemented in accordance with the law and regulations of the State. The Company has proactively exploited capital from many different sources with reasonable interest rates, ensuring timely capital for production, business, investment, and dividend payment....

- Along with production and business activities, the Company continues to pay attention to the regime, benefits and income for employees such as increasing salary by 10% compared to 2023, implementing full welfare regime; Recruitment, training to improve professional qualifications; Organizing tours and summer vacations; Organizing DNC family festival and improving the quality of the working environment.

4.2 Performance of Internal Audit Board:

- The Internal Audit Board has independently and objectively inspected, evaluated and consulted on the operating procedures and risk management procedures of Hai Phong Electricity Water Machine Assembly Joint Stock Company to ensure efficiency, risk control and high performance in the Company's operations.

- In 2024, the Internal Audit Board conducted 02 internal audits.:

* Internal audit of investment activities, construction of power lines and transformer stations in 2023. The Internal Audit Board pointed out a number of shortcomings and made recommendations to the Board of General Directors: Develop forms, processes and regulations on management and archiving of records; Speed up the completion of design documents, construction drawings and project estimates after having site plan and connection location documents; Enhance responsibility and perform well the supervision tasks of the investor; Review the time of supply and quality of materials and equipment for construction works to ensure technical requirements; Speed up the construction progress of assigned works, ensuring compliance with technical and safety requirements according to regulations; Strictly implement regulations on construction quality management, regulations on financial management and project settlement; Urge the project settlement to ensure compliance with procedures and time according to regulations.

* Internal audit of production and business activities from January 2023 to October 31, 2024 of Ecopark Hung Yen Branch. The Internal Audit Board pointed out a number of shortcomings and made recommendations to the Board of General Directors: Strengthen management of the Branch; The functional departments direct and guide the Branch to properly implement the Company's regulations.

PART II. ORIENTATION AND STRATEGY OF THE BOARD OF DIRECTORS FOR 2025

- Strictly implement the rights and obligations of the Board of Directors according to the Law and the Company Charter. Fully comply with all regulations on corporate governance and information disclosure of the State Securities Commission, Hanoi Stock Exchange and competent authorities.

- The Board of Directors fully supervises the activities of the Board of General Directors in implementing the 2025 Business Plan to ensure that decisions on the Company's operations comply with the Resolution of the General Meeting of Shareholders as well as legal regulations.

- In 2025, Vietnam's economy will enter a new era of take-off. With those foundations and changing State policies, the Board of Directors will promote the strength of solidarity, the spirit of innovation, constant innovation, high determination, great efforts, and drastic actions according to the theme ***"Discipline, responsibility; streamlining, efficiency; cost reduction"***. To achieve the basic targets for 2025, the Board of Directors sets out specific operational directions as follows:

1. Company Governance Orientation:

- The Board of Directors is constantly planning strategies, plans and goals for the Company's development.

- The Board of Directors and the Audit Committee regularly monitor the production and business operations of the Board of General Directors and its subsidiaries. The Board of General Directors strictly complies with the provisions of the Law, the Charter and the decisions of the Board of Directors so that the Company can maximize the capacity of its staff.

- Committed to preserving and developing capital and ensuring the rights of investors.

- Always improve management capacity, reduce costs.

- Risk management: Strengthen management, inspection and supervision of activities of Departments, Enterprises and Branches to evaluate implementation results, develop quarterly and annual production and business plans for the Company in 2025 in line with reality.

2. Orientation of streamlining the apparatus and training of leaders

- The Board of Directors studies and orients the adjustment of the Company's business organization and operation to suit the changes in the State's administrative boundaries.

- The Company continues to focus on internal training, mobilizing and appointing a number of positions to supplement the team of leaders and managers to meet the Company's production and business activities.

- Strengthen training on customer communication skills and professional customer care for the Company's staff.

3. Financial Management Strategy

- Expected to increase the Company's charter capital by 25% in 2025.

- Estimated cost of investment capital for production and business in 2025: 41 billion dong.

- Reduce unnecessary costs, focus on investment costs for production and business and expand the market..

4. Business location development strategy

- Strengthen brand development, affirm reputation in the market; focus on the Company's main business field "electricity business management".

- Continue to expand business areas through business cooperation contracts with large corporations to continue to reach out to other provinces and cities nationwide with the sustainable development motto of Hai Phong Electricity Water Machine Assembly Joint Stock Company.

- Determined to make a breakthrough in technology investment in electricity metering equipment to ensure customer benefits.

5. Production and business strategy in 2025

*** Economic target in 2025:**

No.	Target	TH 2024	KH 2025	(%) KH2025/TH 2024
I	**Total revenue (VND million)**	**939.065**	**1.200.000**	**128**
1	Electricity business	906.764	1.164.500	128
2	Water business	17.476	19.500	112
3	Other revenue	14.825	16.000	108
II	**Electricity output (million kWh)**	**374**	**450**	**121**
III	**Water output (m^3)**	**1.017.100**	**1.127.000**	**111**
IV	**Number of customers**	**95.000**	**102.000**	**107**
V	**Power loss ratio (%)**	**4,1**	**3,9**	**-0,2**

VI	**Water loss ratio (%)**	**5,1**	**4,6**	**-0,5**
VII	**Profit before tax (VND million)**	**53.194**	**56.000**	**105**
VIII	**Payable to the State budget (VND million)**	**21.470**	**24.000**	**112**
IX	**Charter capital (VND billion)**	**80,2**	**100,3**	**125**
	Dividend ratio - Cash - Bonus shares:	 = 25% = 25%	 ≥ 20 = 25	
XI	Number of employees	161	160	99
XII	Average salary (VND million/person/month)	13,9	15,0	108

*** Investment in developing the Company's power grid system:**

- Constructing 12 new substations, with a total capacity of 7,350 KVA; Increasing the capacity of 21 substations, with an additional capacity of 4,510 KVA; Adding, replacing, and renovating the low-voltage power line system of substations: 22.5 km; Adding and replacing the power pole system: 550 poles.

- Replacing electric meters: 26,500 units, of which 25,000 are electronic telemeters and 1,500 are induction electric meters.

6. General assessment

- During its operations, the Board of Directors has always strictly complied with the provisions of the Law and the Company's Charter. With the Board of Directors' duties, it has implemented the Resolution of the 2024 Shareholders' Meeting with good results. In 2024, the members of the Board of Directors have also demonstrated innovation, creativity, and high determination in directing and operating the Company's operations in accordance with the development orientation and for the benefit of shareholders; Building a sustainable Company that adapts to a highly competitive market.

- With management and operation experience and especially with the trust and support of our shareholders, we believe that in 2025, the Company will have many better results.

- On behalf of the Board of Directors of Hai Phong Electricity Water Machine Assembly Joint Stock Company, the Chairman of the Board of Directors sincerely thanks shareholders for always being attached and accompanying the Company in the past time and hopes to continue to receive more support and attention from shareholders in the future.

Respectfully submit to the General Meeting of Shareholders for consideration and approval of the full text of the Report./.

Recipients:
- DNC shareholders
- Board of Directors, Audit Committee;
- CBTT;
- Save Company Office.

FOR BOARD OF DIRECTORS
Chairman

(Signed and sealed)

Do Huy Dat