



**REPORT OF THE SUPERVISORY BOARD
PRESENTED TO THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

To: Shareholders of Bac Giang Clean Water Joint Stock Company

In accordance with the tasks assigned by the General Meeting of Shareholders and in compliance with the rights and responsibilities of the Supervisory Board as stipulated in the Company Charter and the Law on Enterprises, the Supervisory Board of Bac Giang Clean Water Joint Stock Company hereby reports to the General Meeting of Shareholders on its activities in 2024 and the proposed directions for 2025, as follows:

A. Supervisory Board Activities and Inspection Results for 2024:

I. Supervisory Board Activities:

The Supervisory Board has conducted its activities in full compliance with the Law on Enterprises, the Company Charter, and the Supervisory Board's Organizational and Operational Regulations, including:

- Monitoring and inspecting the Company's production, business, and investment activities to ensure compliance with strategic objectives.
- Reviewing and evaluating the implementation of the 2024 General Meeting of Shareholders' Resolutions, including an assessment of key performance indicators achieved or unmet, with detailed cause analysis.
- Regularly reviewing the governance and executive management activities of the Board of Directors ("BOD") and the Executive Board, ensuring their adherence to the BOD's resolutions and the Company Charter.
- Examining the Company's accounting records, debt management, and financial performance, analyzing factors affecting business results and investment activities, and providing timely recommendations.
- Reviewing the 2024 audited financial statements, ensuring that reports were prepared in accordance with established procedures and standards, and accurately reflected the Company's financial position.

Through its activities, as outlined in the Company Charter, the Supervisory Board confirms that it has fulfilled its duties as assigned by the General Meeting of Shareholders, contributing to the successful implementation of corporate governance objectives alongside the BOD and the Executive Board.

II. Evaluation of the Company's Performance in 2024.

Based on the management and business operation documents provided by the Company, Supervisory Board members conducted inspections, reviews, and assessments as follows:

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1. Corporate Governance and Executive Management by the Board of Directors and Executive Board in 2024

The Supervisory Board recognizes that the Board of Directors, Executive Board, and management team effectively performed their duties within the legal framework, specifically:

- The BOD promptly implemented the resolutions of the General Meeting of Shareholders (GMS). No irregularities were identified in the operations of the BOD, Executive Board, or management team.

- Resolutions issued by the BOD complied with its authority, aligned with the strategic direction and resolutions of the GMS.

- Sufficient capital resources were ensured for business and investment activities. Customer debt recovery was conducted in a timely and comprehensive manner, and payments to suppliers were made on schedule, maintaining strong liquidity and a reasonable debt ratio.

- The Executive Board ensured compliance with Vietnamese Accounting Standards (VAS) and financial reporting regulations, including: Circular 200/2014/TT-BTC issued by the Ministry of Finance and other relevant regulations guiding financial reporting and accounting standards.

- Investment management and implementation were carried out in accordance with legal and regulatory requirements.

2. Implementation of GMS Resolutions and Key Business Objectives in 2024

2.1. Asset Management:

The Company maintained detailed records of fixed assets, categorizing assets appropriately and depreciating them in compliance with regulations. Annual inventory assessments were conducted, and detailed inventory reports were compiled and documented properly.

Fixed Asset Value as of December 31st, 2024

| | |
|----------------------------------|---------------------|
| - Original Cost of Fixed Assets: | 351,028,240,560 VND |
| - Accumulated Depreciation: | 247,729,471,996 VND |
| - Net Book Value: | 103,298,768,564 VND |

2.2. Debt Management:

- Receivables and Payables as of December 31st, 2024: The Company closely monitors debts, ensuring detailed tracking by entity and payment deadlines.

- Accounts Receivable: **20,723,640,079 VND**, including:

| | |
|--|--------------------|
| + Short-term trade receivables: | 1,977,019,211 VND |
| + Short-term advances to suppliers: | 18,726,962,033 VND |
| + Other short-term receivables: | 221,905,835 VND |
| + Provision for doubtful short-term receivables: | (202,247,000 VND) |

- Accounts Payable: **37,581,821,506 VND**, including:

+ Short-term trade payables: 634,402,602 VND
 + Short-term advances from customers: 198,000,000 VND
 + Taxes and amounts payable to the State: 2,191,069,947 VND
 + Employee payables: 13,374,319,900 VND
 + Short-term accrued expenses: 19,415,231,819 VND
 + Other short-term payables: 303,000,000 VND
 + Bonus and welfare fund for 2024 (including provisional allocations from 2024 business results; final amounts subject to shareholder approval): 1,148,775,931 VND.

2.3. Implementation of the 2024 Business and Production Plan

| No. | Indicator | Current Year | Previous Year | Growth Rate (%) |
|-----|--------------------------------------|-----------------|-----------------|-----------------|
| 1 | Revenue from sales and services | 180,000,139,534 | 170,833,093,769 | 105.4 |
| 2 | Deductions | 19,141,100 | 23,427,861 | 81.7 |
| 3 | Net revenue from sales and services | 179,980,998,434 | 170,809,665,908 | 105.4 |
| 4 | Cost of goods sold | 110,338,587,191 | 103,637,333,235 | 106.5 |
| 5 | Gross profit from sales and services | 69,642,411,243 | 67,172,332,673 | 103.7 |
| 6 | Financial income | 1,297,310,454 | 3,884,529,616 | 33.4 |
| 7 | Financial expenses | | 16,339,725 | |
| 8 | Selling expenses | 36,173,607,156 | 37,877,717,266 | 95.5 |
| 9 | General and administrative expenses | 19,685,193,810 | 18,495,120,497 | 106.4 |
| 10 | Operating profit | 15,080,920,731 | 14,667,684,801 | 102.8 |
| 11 | Other income | 954,215,926 | 904,221,388 | 105.5 |
| 12 | Other expenses | 1,145,969,969 | 260,153,301 | |
| 13 | Other profit | (191,754,043) | 644,068,087 | |
| 14 | Total accounting profit before tax | 14,889,166,688 | 15,311,752,888 | 97.2 |
| 15 | Current corporate income tax expense | 3,401,407,380 | 3,595,324,295 | 94.6 |
| 16 | Profit after corporate income tax | 11,487,759,308 | 11,716,428,593 | 98 |
| 17 | Basic earnings per share | 570 | 548 | 104 |
| 18 | Contributions to the State Budget | 18,176,575,561 | 17,401,104,755 | 104.4 |

Implemented Salary Fund: 46,114,991,877 VND

In 2024, the Supervisory Board did not detect any irregularities in the Company's business and production activities.

2.4. Construction and Investment Activities in 2024:

Aligned with the Company's overall objectives and urban-economic development trends in Bac Giang City and neighboring districts, the leadership team

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developed an investment plan at the beginning of 2024 with a total budget of 21 billion VND.

Results: Total investment reached 24.12 billion VND, achieving 114.85% of the annual target

Details:

- | | |
|---|------------------|
| - Renovation of the Treatment Facility construction | 0.83 billion VND |
| - Industrial water supply system for Lang Cao Industrial Cluster | 0.9 billion VND |
| - Water supply system for Ngoc Ly Commune | 2.2 billion VND |
| - Remaining water supply systems for Nghia Trung and Que Nham Communes | 3.5 billion VND |
| - Water supply system for Tam Di - Tien Nha Communes | 7 billion VND |
| - Replacement of water meters, network zoning, and assessment of water loss and leakage | 3.9 billion VND |
| - Renovation, upgrading, and repair of water supply pipelines | 3.9 billion VND |
| - Purchase of an excavator | 1.89 billion VND |

All construction projects were completed in compliance with technical standards and timelines. The investments have proven effective, and procurement of materials and equipment was conducted in accordance with State regulations.

2.5. Shareholder Relations

At the beginning of 2024, through the efforts of the Board of Directors, the Executive Board, and the collective commitment of all employees, the Company successfully achieved its business and production targets for the year.

3. Financial Accounting and Audited Financial Statements for FY 2024.

3.1. Accounting Activities

The Company adhered to Vietnamese Accounting Standards (VAS), financial regulations, and the national accounting system, ensuring compliance with all legal requirements.

3.2. Audited Financial Statements

The financial statements for the fiscal year ending December 31st, 2024, were audited by Chuan Viet Auditing & Consulting Co., Ltd., ensuring accuracy, transparency, and compliance with regulations.

III. Coordination Between the Supervisory Board, Board of Directors, and Executive Board

- The Supervisory Board maintained close collaboration with the Board of Directors, the Executive Board, and other management personnel in fulfilling its responsibilities. The Board remained responsive to information requests and inspection requirements from the BOD, the Executive Board, and shareholders.

- The Supervisory Board, the Board of Directors, and the Executive Board upheld a cooperative and coordinated working relationship, ensuring the best interests of the Company and shareholders, in strict compliance with corporate governance principles, legal regulations, the Company Charter, and internal policies. Throughout

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2024, the BOD, Executive Board, and management team facilitated the Supervisory Board's duties by providing necessary infrastructure, complete access to financial reports, and full cooperation during supervision processes. This enabled the Supervisory Board to fulfill its assigned responsibilities effectively.

B. Supervisory Board's Work Plan for 2025:

I. General Tasks:

- The Supervisory Board will continue to represent shareholders in monitoring the business, governance, and executive management activities of the Company.
- Monitor the implementation of the GMS Resolution regarding the 2024 dividend distribution and the 2025 business plan.
- Maintain regular inspection and review activities in accordance with the Company Charter and the Supervisory Board's operating regulations, focusing on preventative supervision to ensure compliance with the Law on Enterprises and other legal requirements in 2025. This will contribute to sustainable business growth and protect shareholder and employee interests.

II. Specific Tasks for 2025:

- Conduct regular meetings and assign clear responsibilities among Supervisory Board members to ensure effective monitoring of corporate governance, business operations, and investment activities.
- Monitor the Company's annual business performance, as approved by the General Meeting of Shareholders, and review the audited financial statements annually.

This report presents the Supervisory Board's assessment of the Company's business and production performance, corporate governance, and financial management in 2024, as well as the Board's self-evaluation of its activities.

The Supervisory Board respectfully submits this report to the 2025 Annual General Meeting of Shareholders for approval.

**ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD**

Nguyen Thi Thanh Thuy