

No. 01/2025/BC-BKS

Gia Lai, March 24<sup>th</sup>, 2025**REPORT OF THE SUPERVISORS BOARD**

On the Company's Business Results, the Performance of the Board of Directors, the Board Of Management, the Board Of Supervisors in 2024, and the 2025 Plan

**Dear Shareholders of Gia Lai Water Supply Sewerage Joint Stock Company,**  
Pursuant to the provisions of the Law on Enterprises and the Charter of Gia Lai Water Supply Sewerage Joint Stock Company, the Board Of Supervisors of the Company has carried out its duties and responsibilities to monitor the company's business performance, as well as the activities of the Board of Directors and the Management Board in 2024. We hereby report the results as follows:

**1. Supervising activities of the Board of Directors and the Management Board in managing the Company**

In 2024, the Board Of Supervisors (“BOS”) closely collaborated with the Board of Directors (“BOD”) and the General Director (“GD”) to oversee the implementation of resolutions from the General Meeting of Shareholders (“GMS”) and the BOD's resolutions. The BOD consists of five members, ensuring compliance with legal regulations and the company’s charter. The BOD organized meetings and obtained written opinions to pass decisions according to legal requirements and the company’s charter.

During the year, the BOD convened seven meetings and issued five Resolutions and Decisions to implement the business plan and other matters approved by the 2024 Annual GMS. The BOS assessed that these Resolutions/Decisions were consistent with the strategic direction and business plans approved by the GMS.

The Chairman and members of the BOD actively carried out assigned tasks, promptly researched and issued Resolutions and Decisions to support the GD in business operations and address challenges encountered in business activities.

Detailed performance results of the Company in 2024 are as follows:

Indicator	Unit	Actual 2023	Actual 2024	Planned 2024	2024 / 2023 (%)	2024 / Plan (%)
Clean water consumption	m <sup>3</sup>	7,077,509	7,618,703	7,425,193	107.65%	102.61%
Average price	VND	7,410	2,137	8,594	28.84%	24.87%
Water loss rate	%	36.5%	31.2%	28.9%	85.48%	107.73%
- Pleiku City area	%	39.6%	35.2%	31.3%	88.97%	112.41%
- Ayun Pa Town area	%	22.7%	11.1%	18.0%	48.99%	61.76%
<b>TOTAL REVENUE</b>	<b>bn VND</b>	<b>62.55</b>	<b>74.55</b>	<b>75.00</b>	<b>119.17%</b>	<b>99.86%</b>
Revenue from clean water	bn VND	52.44	64.84	63.81	123.65%	101.62%
Construction revenue	bn VND	6.27	6.99	6.54	111.47%	106.95%
Pipeline relocation revenue	bn VND	1.18	0.83	2.80	70.61%	29.78%
Financial income	bn VND	2.17	1.27	0.86	58.88%	147.53%
Other income	bn VND	0.50	0.60	0.64	121.75%	94.53%

Indicator	Unit	Actual 2023	Actual 2024	Planned 2024	2024 / 2023 (%)	2024 / Plan (%)
<b>TOTAL EXPENSES</b>	<b>bn VND</b>	<b>56.98</b>	<b>58.87</b>	<b>60.73</b>	<b>103.32%</b>	<b>96.94%</b>
Direct expenses	bn VND	34.90	36.41	36.68	104.33%	99.27%
Indirect expenses	bn VND	10.64	10.70	11.96	100.57%	89.41%
Depreciation expenses	bn VND	11.44	11.75	12.09	102.75%	97.22%
Financial expenses	bn VND	0.00	0.00	0.00	–	0.00%
Other expenses	bn VND	0.00	0.01	0.00	–	0.00%
Profit before tax	bn VND	5.58	15.68	13.92	281.11%	112.63%
Corporate income tax	bn VND	1.19	3.23	2.78	271.67%	116.16%
Net profit after tax	bn VND	4.39	12.44	11.13	283.67%	111.75%

## 2. The Board Of Supervisors' assessment of the Company's operations and financial status

The company's 2024 financial statements were audited by Grant Thornton Vietnam. The audit firm confirmed that the financial statements accurately and fairly reflect the company's financial position as of December 31, 2024, as well as the business results and cash flow for the financial year ending on that date, in accordance with accounting standards, the Vietnamese accounting regime, and relevant legal regulations for preparing and presenting financial statements. The key indicators from the audited financial statements are as follows:

**Unit: VND**

Item	Year 2024
1. Revenue from sales and service provision	71,833,657,748
2. Deductions from revenue	–
3. Net revenue from sales and service provision (10 = 01 - 02)	71,833,657,748
4. Cost of goods sold	47,552,816,091
5. Gross profit from sales and service provision (20 = 10 - 11)	24,280,841,657
6. Financial income	1,274,820,108
7. Financial expenses	464,119
– of which: Interest expenses	–
8. Selling expenses	4,482,367,243
9. General and administrative expenses	6,823,129,335
10. Operating profit (30 = 20 + (21 - 22) – 25 – 26)	14,249,701,068
11. Other income	1,437,147,095
12. Other expenses	10,787,464
13. Other profit (40 = 31 - 32)	1,426,359,631
14. Total accounting profit before tax (50 = 30 + 40)	15,676,060,699
15. Current corporate income tax expenses	3,233,293,358
16. Deferred corporate income tax expenses	–
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	12,442,767,341

## 3. Supervisory Board remuneration in 2024

In 2024, the Supervisory Board's remuneration was as follows:

No.	Position	Total Remuneration Approved by 2024 GMS (VND)	Actual Payment in 2024 (VND)	Note
	<b>Total remuneration for Supervisory Board</b>			
1	Head of Supervisory Board	36,000,000	36,000,000	
2	Member of Supervisory Board	24,000,000	24,000,000	

#### **4. Coordination between the Board Of Supervisors , the Board of Directors, the Board Of Management, and shareholders**

- The BOS received all necessary information and resolutions from the BOD, as well as the audited financial report for 2024.
- The members of BOS participated in BOD meetings, closely following the Company's activities and the implementation of GMS Resolutions.
- The BOS maintained independence in its monitoring activities. During the year, the BOS did not receive any complaints from shareholders regarding the directives or management of the BOD, BOS, GD, or other management personnel.

#### **5. Assessment of the Board Of Supervisors' activities, summary of meetings, and recommendations**

- Within the scope of its responsibilities, as defined in the Company Charter and the Law On Enterprises, the BOS has made efforts in 2024 to fulfill its functions and duties.
- The BOS held four meetings during the year to assign monitoring tasks to each member, ensuring high efficiency in the supervisory process.

#### **CONCLUSION**

From our oversight activities in 2024, the BOS concludes as follows:

- The Company, as well as members of the BOD, GD, BOS, and the Chief Accountant have complied with legal regulations, the company's charter, and internal regulations throughout 2024.
- In the future, the company needs to focus on strengthening its management system and human resources to align with its current scale and development trends.

We respectfully submit this report to the GMS for consideration and approval.

Sincerely,

**For and on behalf of the Supervisory Board  
Head of the Board**

A handwritten signature in blue ink, appearing to read 'huan', followed by a long horizontal line.

**Ho Thi Xuan**