



**BINH DINH WATER SUPPLY AND SEWERAGE  
JOINT STOCK COMPANY**

Address: No. 146, Ly Thai To Street, Quang Trung Ward, Quy  
Nhon City, Binh Dinh Province

Tel: (84-256) 3747.306

Website: <http://binhdinhwaco.com.vn>

**ANNUAL REPORT**

**2024**



**BINH DINH WATER SUPPLY  
AND SEWERAGE  
JOINT STOCK COMPANY**

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

No: **41** /BC-CTN

*Binh Dinh, February 26, 2025*

## **ANNUAL REPORT**

### **2024**

To:

- Shareholders;
- State Securities Commission of Vietnam;
- Hanoi Stock Exchange.

#### **I. GENERAL INFORMATION:**

##### **1. General information:**

- Company name: **BINH DINH WATER SUPPLY AND SEWERAGE  
JOINT STOCK COMPANY**
- Company name in English: **BINH DINH WATER SUPPLY AND  
SEWERAGE JOINT STOCK COMPANY**
- Abbreviated Company Name: **BIDIWASSCO**
- Securities code: **BDW**
- Business Registration Certificate No. 4100258955 issued by the Department of Planning and Investment of Binh Dinh Province for the 1<sup>st</sup> time on July 31, 2010, the 8<sup>th</sup> change registration on December 24, 2024.
- Head office: No. 146, Ly Thai To Street, Quang Trung Ward, Quy Nhon City, Binh Dinh Province.
- Tel : 0256.3747306
- Website : <http://binhdinhwaco.com.vn>
- Charter capital : **124,108,000,000 VND**

##### **Establishment and development process:**

Binh Dinh Water Supply and Sewerage Joint Stock Company was formerly known as Quy Nhon Water Plant, which was established under Decision No. 1099/QD-TC dated December 23, 1976 of the People's Committee of Nghia Binh Province;

On December 28, 1992, it was renamed Binh Dinh Water Supply Company under Decision No. 2611/QD-UB of the People's Committee of Binh Dinh Province on



the establishment of state-owned enterprises. On September 23, 1996, it was renamed Binh Dinh Water Supply and Sewerage Company under Decision No. 2312/QD-UB of the People's Committee of Binh Dinh Province on adding the tasks and renaming of Binh Dinh Water Supply Company.

On July 01, 2010, it was renamed Binh Dinh Water Supply and Sewerage One Member Company Limited under Decision No. 270/QD-UBND dated June 24, 2010 of the People's Committee of Binh Dinh Province on approving the Project to convert the Water Supply and Sewerage Company into One Member Company Limited.

In 2014, Binh Dinh Water Supply and Sewerage One Member Company Limited implemented equitization according to the plan to reorganize 100% state-owned enterprises of Binh Dinh Province for the period 2012-2015 approved by the People's Committee of the Province in Decision No. 512/QD-CTUBND dated March 20, 2012.

On October 28, 2014, the People's Committee of Binh Dinh Province issued Decision No. 3570/QD-UBND on approving the Equitization plan and converting Binh Dinh Water Supply and Sewerage One Member Company Limited into Joint Stock Company.

On December 31, 2014, the Company coordinated with the auction organization (Ho Chi Minh Stock Exchange) and the consulting company (Bao Viet Securities Joint Stock Company) to successfully organize the initial public offering auction with 3,803,488 shares.

On March 26, 2015, the Company successfully held the first General Meeting of Shareholders and officially operated as Joint Stock Company according to the Business Registration Certificate No. 4100258955 issued by the Department of Planning and Investment of Binh Dinh Province on April 01, 2015 with the charter capital of 124,108,000,000 VND.

On October 14, 2015, the Company's BDW shares were officially traded on the Upcom market at the Hanoi Stock Exchange. This is a good opportunity for the Company to promote its image, enhance professionalism and transparency in management and administration as well as create a premise for capital mobilization through the stock market in the future.

Implementing Decision No. 1232/QD-TTg dated August 17, 2017 of the Prime Minister approving the List of State-owned enterprises to divest capital in the period 2017-2020, in March 2018, the Company divested capital and changed its charter capital structure: the State's capital ownership from 64.34% to 51% of charter capital.



**2. Business lines and locations of the business:**

Binh Dinh Water Supply and Sewerage Joint Stock Company operates mainly in the field of production and supply of clean water to serve customers in Quy Nhon City and An Nhon Town (Binh Dinh Ward, Dap Da Ward, Nhon Thanh Ward, Nhon Hoa Ward, Nhon Hung Ward, Nhon Hau Commune and Nhon An Commune); Tuy Phuoc District (Tuy Phuoc Town, Dieu Tri Town, Phuoc Hung Commune); Phu Cat District (Ngo May Town, Cat Tan Commune, Cat Trinh Commune, Cat Hiep Commune); Phu My District (Binh Duong Town); Hoai Nhon Township (Bong Son Ward, Hoai Tan Ward, Hoai Hao Ward, Hoai Thanh Tay Ward, Tam Quan Ward, Tam Quan Nam Ward) and Hoai An District (Tang Bat Ho Town), Becamex Industrial Park. In addition, the Company also carries out construction and installation of water supply systems and supplies business.

Net revenue of each product and service group in the year:

Items	2024	
	Value (VND million)	Percentage (%)
Production and sale of clean water	279,410	96.06
Construction and installation	5,815	2.00
Other activities (financial and other income)	5,635	1.94
<b>Total</b>	<b>290,860</b>	<b>100</b>

**3. Information about governance model, business organization and managerial apparatus:***a) Governance model:*

Binh Dinh Water Supply and Sewerage Joint Stock Company organizes management and operation according to the model under point a, clause 1, Article 137 of the Law on Enterprises:

- + General meeting of shareholders.
- + Board of Directors, Board of Supervisors.
- + Director.

*b) Company's management structure:*

Binh Dinh Water Supply and Sewerage Joint Stock Company is organized and operated in compliance with the Law on Enterprises, other relevant Laws and the Company Charter issued on April 22, 2022.

Functional departments (until December 31, 2024):

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+ 07 functional departments: Administration and Organization - Labor and Salary Department, Accounting - Finance Department, Sales Department, Project Management Department, Technical Department, Water Quality Management Department and IT Department;

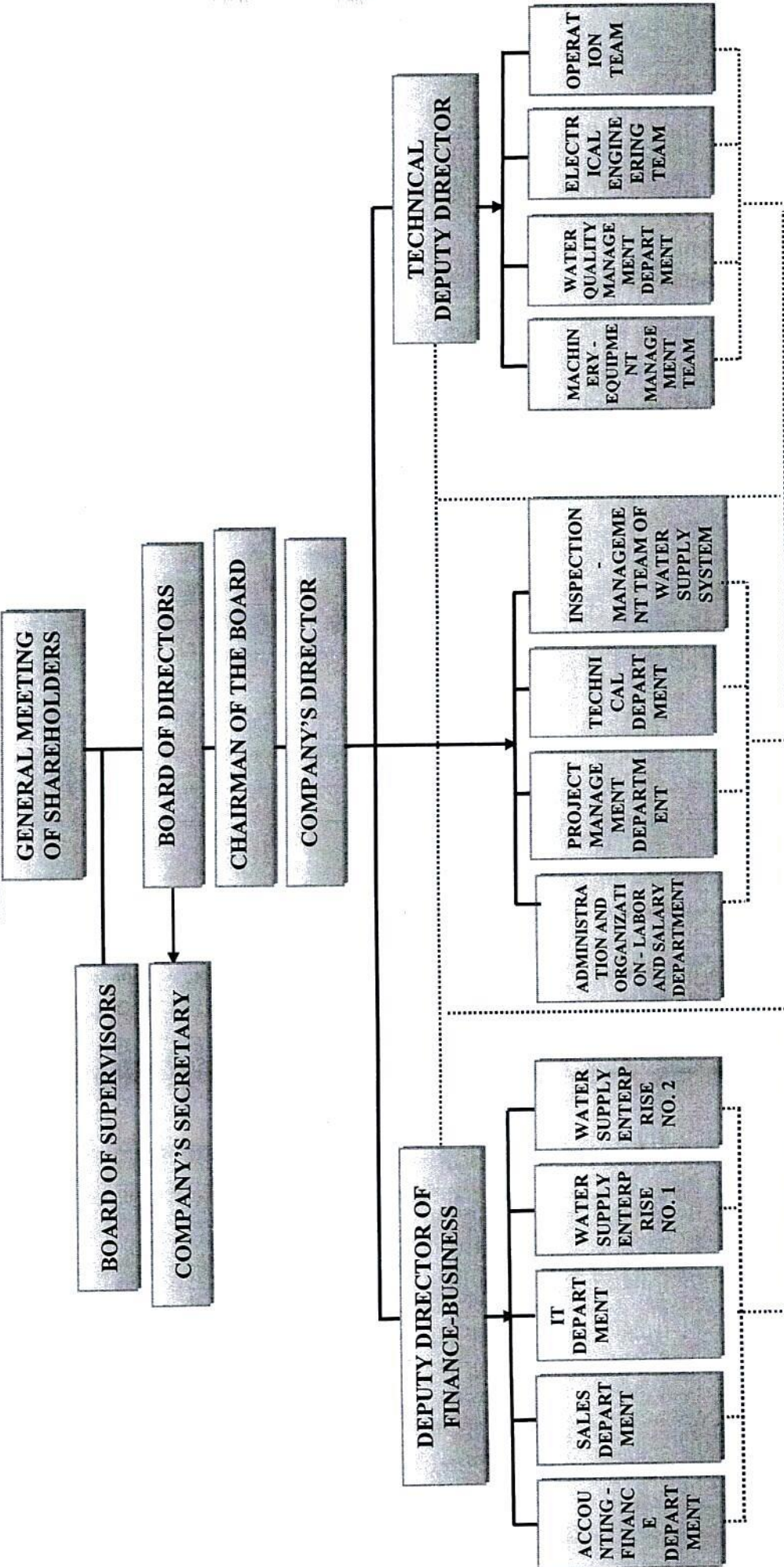
+ 02 affiliated enterprises: Water Supply Enterprise No. 1, Water Supply Enterprise No. 2;

+ 04 production teams: Inspection - Management Team of water supply system construction, Operation Team; Machinery - Equipment Management Team and Electrical Engineering Team.

The Company's management structure is shown in the following diagram:



ORGANIZATION CHART  
BINH DINH WATER SUPPLY AND SEWERAGE  
JOINT STOCK COMPANY



NOTE:

——— DIRECT MANAGEMENT  
 ..... EXCHANGE RELATIONSHIP  
 - - - SUPERVISION

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#### 4. Development orientations:

##### *a) Main objectives of the Company:*

Continuously improve and enhance management capacity to develop the Company's business lines, optimize profits for shareholders; improve working conditions and increase income for employees; fully perform obligations to the State and develop the Company to become stronger and more sustainable.

##### *b) Development strategies orientations in medium and long term:*

According to Decision No. 2502/QĐ-TTg dated December 22, 2016 on approving the adjustment of the development orientation of urban and industrial water supply in Vietnam to 2025 and vision to 2050 and according to Decision No. 1619/QĐ-TTg dated December 14, 2023 of the Prime Minister on approving of Binh Dinh Province Planning for the period 2021 - 2030, with a vision to 2050; The Company has set the main objectives to be achieved by 2025 as follow:

- The coverage rate of clean water supply services from the centralized water supply system in urban areas within the Company's service area strives to reach over 92%, with an average water supply standard of 120 liters/person/day and night, water quality meets technical standards as prescribed; industrial zones are fully supplied with water according to pressure and flow requirements.

- The rate of urban water supply systems: establishing and implementing safe water supply plan reaches 100%; the rate of clean water loss in urban areas is below 13,5% (Government's regulation is below 15%); continuous water supply service, with enough pressure 24 hours a day.

- Develop human resources, combine arrangement of streamlining redundant labor with new recruitment and improve training of existing labor.

- Take care for employees' material and spiritual life and resolve policies for employees.

- Improve quality management and internal governance systems to improve business, financial and investment efficiency.

##### *c) Objectives with regard to Corporate environment, society and community:*

Invest in upgrading and innovating technology to increase productivity, product and service quality; ensure water safety, sufficient water volume for production; simultaneously save electricity, reduce raw material costs and reduce environmental pollution. Towards the objective of sustainable development, associated with social responsibility and concern for community interests.



## 5. Key Risks in the Company's Operations:

### 5.1. Economic Risks:

For Binh Dinh Water Supply and Sewerage Joint Stock Company, the main production and business activity is production and supply of clean water, so it is less affected by economic risks because clean water is an essential product for people.

However, since May 31, 2024, the Company will receive and purchase wholesale water from Quy Nhon Clean Water Plant (capacity of phase 1 is 30,000 m<sup>3</sup>/day.night) according to the Clean Water Wholesale Contract. The rate of the Company's wholesale clean water amount purchased from Ha Thanh Water Treatment Plant and Quy Nhon Clean Water Plant accounts for approximately 60% of the output supplied to Quy Nhon City and surrounding areas, leading to additional costs for the Company.

### 5.2. Industry-Specific Risks:

#### a) Risks from exploited natural water sources

Raw water source for clean water production is exploited from underground water pumping wells in the Tan An well system and the area at Water Supply Enterprise No. 1 and No. 2. Changes in water quality and dramatically decreasing water flow also affect the Company's clean water supply process.

Rapid development of agricultural and industrial production activities in the province also brings out water pollution risks. Production plants do not have appropriate wastewater treatment systems, agricultural production activities use many chemicals such as fertilizers and pesticides; and indiscriminate littering along rivers also causes groundwater pollution risks.

#### b) Risks of loss and miss of clean water

- Water loss: The Company's water loss rate in 2024 is: 13.35% (decrease by 0.04% compared to the implementation in 2023 and decrease by 0.01% compared to the plan in 2024).

Water loss is divided into 2 types:

+ Invisible loss: Leakage in the water pipe network at the joints, due to errors in the measuring equipment (customers' meter).

+ Visible loss: Due to broken water pipes; used for flushing pipes, cleaning wells: can be fixed.

Repair of easily visible leaks is done during the day. As for leaks which are hard to see, a plan to detect and repair them is required. These types of leaks will exist for a



long time and account for a large proportion of the total amount of leaked water. If we do not systematically detect and repair these types of leaks, it will cause bigger problems and the amount of leaked water will also increase.

- Water miss:

+ Customers do not pay for clean water usage, use clean water without a meter;

+ Use for wrong purposes.

### 5.3. Other Risks:

The Company's business operations may be affected by risks due to the impact of political and social fluctuations in the world, war, epidemics, etc. These risks may directly or indirectly affect the Company's business operations.

## II. OPERATIONS IN 2024:

### 1. Situation of production and business operations:

#### a) Basic advantages:

- The Company has received attention and support from the People's Committee of Binh Dinh Province, departments, branches and local authorities at all levels.

- The Company's Board of Management has many years of experience in the field of water supply, dedicated and responsible in their work. The team of employees has professional qualifications, lots of experience, high spirit of solidarity and self-awareness.

- The Company has accumulated lots of experience in water supply activities such as construction, operation, management of plants, water supply networks, reducing water loss rate.

#### b) Main difficulties:

- Investment in expanding projects and water supply networks is still difficult due to the Company's limited investment capital.

- The Company's production and business conditions still face many difficulties, input costs increase, specifically costs of raw materials, chemicals, electricity, wholesale purchase of clean water through the master meter, etc.

### \* Implementation situation against the plan in 2024:

Unit: VND

Comparative criteria	Plan in 2024 according to Shareholders' Meeting Resolution	Implementation in 2024	Actual progress against the plan (%)
Charter capital	124,108,000,000	124,108,000,000	100.00

Comparative criteria	Plan in 2024 according to Shareholders' Meeting Resolution	Implementation in 2024	Actual progress against the plan (%)
Total Revenue	280,000,000,000	290,860,092,475	103.88
Profit before tax	47,600,000,000	44,964,355,264	94.46
Profit after tax	38,080,000,000	35,904,572,211	94.29
Dividend rate (%)	10.50	11.00	104.76

Note:

Since May 31, 2024, the Company began purchasing commercial water from Quy Nhon Clean Water Plant according to Document No. 3734/UBND-KT dated May 20, 2024 of the People's Committee of Binh Dinh Province on distributing commercial water from Quy Nhon Clean Water Plant project (phase 1) and Clean Water Wholesale Contract No. 40/HD dated May 16, 2022 between Binh Dinh Water Supply and Sewerage Joint Stock Company and Senco Quy Nhon Water Supply One Member Company Limited, resulting in additional costs due to wholesale purchase of clean water which is 4,684 billion dong, so the profit before tax has decreased compared to the same period.

Expected to submit to the Annual General Meeting of Shareholders 2025 for approval of the dividend rate 2024 which is 11.00%/charter capital.

**2. Organization and Human resource:***a) List of the Board of Management:*

No	Full name	Position	Rate of voting shares held	Total number of voting shares held
1	Le Tien Dung (in which: State capital representative: 2,482,160 shares)	Member of the Board of Directors, Company's Director	20.05%	2,488,960
2	Le Thanh Cuong	Member of the Board of Directors, Company's Deputy Director	0.028%	3,500
3	Nguyen Nguyen Hoai Vien	Company's Deputy Director	0.010%	1,200
4	Dang Hoang Trung	Chief Accountant	0.009%	1,100

**\* Summary of personal background:**

- (Mr) Le Tien Dung: Member of the Board of Directors, Company's Director

Full name: Le Tien Dung





Sex: Male

Date of birth: January 01, 1968

Place of birth: Quy Hop, Nghe An.

Citizen ID Card No.: 040068030478, date of issue: October 18, 2022, place of issue: Police Department for Administrative Management of Social Order

Nationality: Vietnamese

Ethnic group: Kinh

Hometown: An Hai, Ninh Phuoc, Ninh Thuan

Permanent residence: 557 Nguyen Thai Hoc, Quy Nhon, Binh Dinh

Current residence: 54 Hoang Van Thu, Quy Nhon, Binh Dinh.

Office contact phone number: 0256. 3686.699

Education level: 12/12

Professional level: Civil and industrial construction engineer

Current position: Member of the Board of Directors, Director of Binh Dinh Water Supply and Sewerage Joint Stock Company.

Current positions at other organizations: No.

Number of shares held: 2,488,960 shares, accounting for 20.05% of charter capital, of which:

+ *State capital representative: 2,482,160 shares, accounting for 20% of charter capital (according to Decision No. 2730/QD-UBND dated July 08, 2020 of the People's Committee of Binh Dinh Province on appointing the State capital representative at Binh Dinh Water Supply and Sewerage Joint Stock Company for the term 2020-2025).*

+ *Individual ownership: 6,800 shares.*

**- (Mr) Le Thanh Cuong: Company's Deputy Director**

Full name: Le Thanh Cuong

Sex: Male

Date of birth: November 04, 1976

Place of birth: An Nhon, Binh Dinh

Citizen ID Card No.:052076006092, date of issue: April 03, 2022, place of issue: Police Department for Administrative Management of Social Order

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Nationality: Vietnamese

Ethnic group: Kinh

Hometown: Nhon Thanh, An Nhon, Binh Dinh

Permanent address: 73<sup>A</sup> Bien Cuong, Quy Nhon City, Binh Dinh Province

Office contact phone number: 0256.3686.799

Education level: 12/12

Professional level: Bachelor of Economics, Accounting

Current position: Member of the Board of Directors, Deputy Director of Binh Dinh Water Supply and Sewerage Joint Stock Company

Current positions at other organizations: No.

Number of shares held: 3,500 shares, accounting for 0.028% of charter capital, of which:

- + *Representative ownership: 0 shares*
- + *Individual ownership: 3,500 shares*

**- (Mr) Nguyen Nguyen Hoai Vien: Company's Deputy Director**

Full name: Nguyen Nguyen Hoai Vien

Sex: Male

Date of birth: May 28, 1979

Place of birth: Phuoc Thuan, Tuy Phuoc, Binh Dinh

Citizen ID Card No.: 052079002669, date of issue: April 20, 2021, place of issue: Police Department for Administrative Management of Social Order

Nationality: Vietnamese

Ethnic group: Kinh

Hometown: Phuoc Thuan, Tuy Phuoc, Binh Dinh

Permanent address: 76 Nguyen Huu Tho, Quy Nhon City, Binh Dinh.

Office contact phone number: 0256.3747.196

Education level: 12/12

Professional level: Master of Chemical Engineering

Current position: Deputy Director of Binh Dinh Water Supply and Sewerage Joint Stock Company

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Current positions at other organizations: No.

Number of shares held: 1,200 shares, accounting for 0.010% of charter capital, of which:

+ *Representative ownership: 0 shares*

+ *Individual ownership: 1,200 shares*

**- (Mr) Dang Hoang Trung: Company's Chief Accountant**

Full name: Dang Hoang Trung

Sex: Male

Date of birth: October 13, 1980

Place of birth: My Loc, Phu My, Binh Dinh

Citizen ID Card No.: 052080002484, date of issue: April 29, 2021, place of issue: Police Department for Administrative Management of Social Order

Nationality: Vietnamese

Ethnic group: Kinh

Hometown: My Loc, Phu My, Binh Dinh

Permanent address: 66A Tran Phu, Quy Nhon City, Binh Dinh Province

Office contact phone number: 0256.3946.779

Education level: 12/12

Professional level: Bachelor of Accounting

Current position: Chief Accountant of Binh Dinh Water Supply and Sewerage Joint Stock Company

Current positions at other organizations: No.

Number of shares held: 1,100 shares, accounting for 0.009% of charter capital, of which:

+ *Representative ownership: 0 shares*

+ *Individual ownership: 1,100 shares*

*b) Number of staffs and Employee's policies:*

The total number of official employees of the Company as of December 31, 2024 is: 369 people, the labor structure by management function and qualifications is shown in the following table:

No	Content	Number (people)	Percentage (%)
1	Chairman of the Board	1	0.27
2	Head of Board of Supervisors	1	0.27
3	Board of Management	4	1.08
4	Leaders of functional departments, production teams and affiliated enterprises	34	9.21
5	Employees of functional departments and enterprises	91	24.66
6	Direct production workers	221	59.90
7	Cleaners, security	17	4.61
	<b>Total:</b>	<b>369</b>	<b>100</b>

- Employee's policies: The Company has fully implemented policies on health insurance, unemployment insurance, social insurance and sickness and maternity benefits according to current State's regulations.

### 3. Investment activities, project implementation:

#### a) Major investments:

##### a.1) Investment on fixed assets:

In 2024, the Company has implemented investment projects:

No	Name of items, construction works	Realized value (VND million)
1	Renovation of water supply pipeline through Thi Nai Bridge	12
2	Supplementation of raw water sources for Phu Tai Wastewater Treatment Plant	2,837
3	Construction of auxiliary items of the water supply system (fence, warehouse, mechanical workshop, etc.)	801
4	Investment and renovation of water supply system of Quy Nhon City	7,325
5	Investment and renovation of water supply system of Water Supply Enterprise No. 1 (unfinished in 2023, continuing in 2024)	15,606



No	Name of items, construction works	Realized value (VND million)
6	Investment and renovation of water supply system of Water Supply Enterprise No. 2 (unfinished in 2023, continuing in 2024)	3,806
7	Digitization of water supply system on the GIS data platform	1,282
8	Expanding transmission and distribution pipeline network in An Nhon Town; Tuy Phuoc Town, Ngo May Town	3,479
9	D250 cast iron pipeline of water supply to Becamex Industrial Park	12,927
10	Investment and renovation of water supply system of Water Supply Enterprise No. 1 (investment portfolio in 2024)	3,323
11	Investment and renovation of water supply system of Water Supply Enterprise No. 2 (investment portfolio in 2024)	4,597
	<b>Total realized value</b>	<b>56,049</b>

a.2) *Financial investment (short-term, long-term): no.*

b) *Subsidiaries, associated companies: no*

#### 4. Financial situation:

a) *Financial situation:*

Unit: dong

Indicators	2023	2024
Total asset	471,188,052,431	458,561,608,019
Net revenue	273,045,291,090	285,225,152,800
Profit from business activities	54,083,192,253	41,520,542,265
Other profits	2,305,075,939	3,443,812,999
Profit before tax	45,020,989,183	35,904,572,211
Payout ratio	9.00%	11.00%

*b) Major financial indicators:*

Indicators	Unit	2023	2024	Note
1. Solvency ratio				
+ Current ratio:				
Short term Asset/Short term debt	Time	0.79	0.65	
+ Quick ratio:				
<u>Short term Asset - Inventories</u> Short term Debt	Time	0.66	0.51	
2. Capital Structure Ratio:				
+ Debt/Total assets ratio	%	0.50	0.44	
+ Debt/Owner's Equity ratio	%	0.98	0.78	
3. Operation Capability Ratio				
+ Inventory turnover:				
Cost of goods sold/Average inventory	Turnover r	11.53	12.48	
+ Net revenue/Total Assets	Time	0.58	0.62	
4. Profitability				
+ Profit after tax/Net revenue Ratio	%	16.49	12.59	
+ Profit after tax/Total capital ratio	%	18.95	13.93	
+ Profit after tax/Total assets ratio	%	9.55	7.83	
+ Profit from business activities/Net revenue ratio	%	19.81	14.56	

**5. Shareholders structure, change in the owner's equity:**

*a) Shares:*

- Total number of shares: **12,410,800 shares**
- Type of shares: Common shares
- + Number of free-float: 12,249,500 shares



+ Number of restricted stock: 161,300 shares

b) *Shareholders structure:*

No	Shareholders structure	Number of shareholders	Number of shares owned	Rate
<b>I.</b>	<b>Domestic shareholders</b>	<b>418</b>	<b>12,404,384</b>	<b>99.95%</b>
1	Organizations	3	9,420,239	75.90%
	- State shareholders	1	6,329,508	51.00%
	- Other shareholders	2	3,090,731	24.90%
2	Individuals	415	2,984,145	24.05%
<b>II.</b>	<b>Foreign shareholders</b>	<b>6</b>	<b>6,416</b>	<b>0.05%</b>
1	Organizations	0	0	0.00%
2	Individuals	6	6,416	0.05%
	<b>Total</b>	<b>424</b>	<b>12,410,800</b>	<b>100.00%</b>

(Source: List of shareholders as of October 31, 2024)

c) *Change in the owner's equity:* No.

d) *Transaction of treasury stocks:* No.

e) *Other securities:* No.

## 6. Environment-Social-Governance (ESG) Report of the Company:

### 6.1. Environmental impact:

Total direct and indirect GHG emission: No.

Measures and initiatives to reduce GHG emission: No.

### 6.2. Management of raw materials:

The total amount of raw materials used for the manufacture and packaging of the products as well as services of the organization during the year: raw materials used to produce water by the Company are mainly water treatment chemicals. The total amount of water treatment chemicals used during the year is as follows:

- Chlorine: 47,250 kg;

- PAC: 60,831 kg;

- Lime: 104,898 kg.

### 6.3. Energy consumption:

The Company's electricity consumption in 2024 is: 10,417,490 kw.

### 6.4. Water consumption:

a) *Water supply sources:* produced by the Company and wholesale of clean water according to clean water wholesale contracts.

b) *Percentage and total volume of water recycled and reused:* No.

6.5. Compliance with the law on environmental protection:

The Company always complies with current laws on environmental protection.

a) *Number of times the company is fined for failing to comply with laws and regulations on environment:* No.

b) *The total amount to be fined for failing to comply with laws and regulations on the environment:* No.

6.6. Policies related to employees:

a) *Number of employees, average wages of workers:*

- The average number of employees in 2024 is 422 people.
- The average income of employees in 2024 is: VND 11,337,000 per month.

b) *Labor policies to ensure health, safety and welfare of workers.:*

The Company always has appropriate labor policies, ensuring all rights of employees:

- The Company's employees are arranged, assigned, and assigned work in accordance with the needs, qualifications, and professional capacity of the employees. Ensuring stable employment and income for employees.

- Carry out annual health check-ups for employees in the Company.

- Implement policies for employees such as paying social insurance, health insurance, and unemployment insurance according to State regulations. Implement the regime of promotion, salary increase, rewards, discipline, staff planning, and welfare; protect the legitimate and legal rights and interests of employees in accordance with the contents signed in the Collective Labor Agreement.

- In addition to focusing on production and business activities, the Company always cares about taking care of the material and spiritual life of employees. The Company's employees always enthusiastically participate in activities and movements of the Company's Trade Union, Youth Union and superior organizations.

c) *Employee training:*

In 2024, the Company has arranged for 44 workers to participate in training and upgrading exams organized by the Mien Trung University of Civil Engineering at the Company; 21 workers studied to improve their knowledge and professional skills such

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as: national security and defense knowledge training class, construction specialized training class, training class to improve the ability to respond to biological, toxic chemical, radioactive, and nuclear incidents for first responders, training class on the Law on Water Resources and guiding documents, training class on professional work in the field of Home Affairs, training class on instructions for exploiting and using the Code of Laws and Decree No. 59/2024/ND-CP dated May 25, 2024 of the Government, training class on propaganda on greenhouse gas inventory, training class on information disclosure and corporate governance on the stock market, consultation conference on social insurance, health insurance, and unemployment insurance policies for employers and employees in Binh Dinh...; decisions were made to raise and change salary grades for 73 workers to ensure their rights and benefits in accordance with State's regulations.

#### 6.7. Report on responsibility for local community:

In 2024, the Company has mobilized its staff and employees to donate and support charity funds launched by the Provincial People's Committee, the Vietnam Fatherland Front Committee of Binh Dinh Province, the Department of Labor, Invalids and Social Affairs of Binh Dinh Province, the Labor Federation of Quy Nhon City, and the Company's Trade Union. The total amount of social contributions is: 465,957 million VND.

### III. REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT:

#### 1. Assessment of operating results:

##### 1.1. General Assessment of Operating Results:

In 2024, Binh Dinh Water Supply and Sewerage Joint Stock Company successfully achieved its assigned tasks and business - production targets, ensuring job stability and income for employees.

#### Comparison of Actual Performance Against the 2024 Plan

INDICATOR	UNIT	2024 Plan	2024 Actual	Comparison (%) (Actual/Plan)
Total Revenue	VND million	280,000	290,860	103.88
Total Operating Expenses	VND million	232,400	245,896	105.81
Profit Before Tax	VND million	47,600	44,964	94.46

*1.2. The Company's achievements:*

In 2024, the Company supplied clean water to customers, achieving the following key indicators:

- Water quality: Ensured compliance with Circular No. 41/2018/TT-BYT, dated December 14, 2018, issued by the Ministry of Health, and Local Technical Regulation QCDP 01:2022/BD on clean water quality for domestic use in Binh Dinh province.

- Average water supply volume: 77,000 m<sup>3</sup>/day-night, with stable pressure maintained in the distribution pipeline network at 1.5 kg/cm<sup>2</sup> - 2.0 kg/cm<sup>2</sup>

- Added 6,704 new customers, specifically:

- + Quy Nhon City: 1,599 new customers;

- + Water Supply Enterprise No. 1: 3,425 new customers;

- + Water Supply Enterprise No. 2: 1,680 new customers.

As a result, the urban population coverage rate for clean water supply within the Company's service area reached 92.52% (the provincial government's target of 88% - 90%), as follows:

- + Quy Nhon City: 99.14%;

- + An Nhon Township: 96.5%;

- + Hoai Nhon Township: 68.5%;

- + Other towns (including Tuy Phuoc and Dieu Tri Towns in Tuy Phuoc District, Ngo May Town in Phu Cat District, Binh Duong Town in Phu My District, and Tang Bat Ho Town in Hoai An District): 80% - 99.8%.

- Clean Water Loss Rate: 13.35%, a 0.01% reduction compared to the planned 13.36%.

To maintain continuous, safe water supply, ensuring sufficient clean water for residential, institutional, and business use, etc. The Company has regularly and effectively carried out the following activities:

- Implementing safe water supply measures and developing a summer water supply assurance plan for the service area; carrying out storm and flood prevention measures, inspecting and reinforcing the protection of critical water supply pipelines; establishing a plan for periodic technical inspection and monitoring of the water supply system, including cleaning reservoirs and distribution pipelines; conducting regular flushing and maintenance of wells, treatment plants, and booster pumping stations to ensure operational capacity.



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- Customer Service Operations:

+ In line with the Government's policy to limit cash transactions, the Company has completed the integration of water bill payments via the mobile applications of 07 banks, ensuring the following factors: speed, convenience, and safety;

+ Actively receiving and promptly addressing customer feedback and voter recommendations within the Company's service area regarding water supply and quality.

- Clean water quality monitoring:

+ Conducting periodic sampling and testing at 11 water treatment plants<sup>1</sup> directly managed and operated by the Company, as well as 02 additional plants operated by Senco Binh Dinh One-Member Limited Liability Company and Senco Quy Nhon One-Member Limited Liability Company<sup>2</sup>, along with testing across the distribution pipeline network;

+ Performing regular flushing of the water supply network and emergency flushing in areas experiencing localized turbidity issues;

- Water Security, Environmental Sanitation, and Fire Prevention & Fighting:

+ Conducted periodic sampling and testing of raw water sources at 49 extraction wells in accordance with regulations;

+ Organized clean-up activities, including waste collection and vegetation clearance at well pumping stations and water treatment plants;

+ Maintained strong collaboration between the Company and local authorities to prevent violations related to water source safety and sanitation;

+ Coordinated with the Public Security of Binh Dinh Province to organize the 2024 Conference on Crime Prevention and the Launch of the Nationwide Movement for the Protection of National Security, attracting over 90 employees. Through this awareness campaign, employees' understanding and sense of responsibility were enhanced regarding the implementation of the Party and State's policies and directives, particularly in ensuring security and order while fulfilling the Company's tasks and contributing to local socio-economic development;

+ Strengthened, reinforced, and expanded the professional security force to ensure asset protection and maintain security and order within the Company.

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<sup>1</sup> 11 water treatment plants: Phu Tai, Nhon Chau, Canh Vinh, Tuy Phuoc, Binh Dinh, Dap Da, Nhon Thanh, Nhon Hoa, Binh Duong, Tang Bat Ho, Bong Son.

<sup>2</sup> 02 plants operated by Senco Binh Dinh Company and Senco Quy Nhon Company: Ha Thanh water treatment plant and Quy Nhon clean water plant

Additionally, conducted professional training for the Company's Fire Prevention, Firefighting, and Rescue Team.

+ Fully equipped fire prevention tools and essential equipment across Company offices, enterprises, warehouses, parking areas, pumping stations, and water treatment plants. Regularly inspected and improved security infrastructure, including fences, lighting systems, security cameras, fire extinguishers, and other protective tools.

+ Occupational safety and industrial hygiene were strictly implemented according to state regulations, resulting in zero workplace accidents in 2024.

### *1.3. Investment Activities and Project Implementation Progress*

In 2024, the Company successfully completed and commissioned several key projects, including:

- Supplementing raw water sources (capacity: 2,900 m<sup>3</sup>/day-night) for Phú Tai Water Treatment Plant;
- Expanding the capacity of Tang Bat Ho Town Water Treatment Plant from 600 m<sup>3</sup>/day-night to 2,000 m<sup>3</sup>/day-night;
- Constructing Nhon Hoa Ward Water Supply Plant in An Nhon Township, with a capacity of 2,900 m<sup>3</sup>/day-night;
- Installing a D250 ductile iron pipeline to supply water to Becamex Industrial Park;
- Expanding the clean water distribution network within the service areas of Water Supply Enterprise No. 1 and No. 2, with a total pipeline length of 44.884 km of various types.

Throughout the year, the Company closely coordinated with investors to carry out connection work, supervision, acceptance testing, and handover of water supply system components affected by urban renovation, site clearance, and the development of new residential and urban areas, in accordance with the decisions of competent authorities.

## **2. Financial Situation:**

### *a) Assets:*

Total assets at the beginning of the period (as of January 01, 2024): VND 471,188 million, Total assets at the end of the period (as of December 31, 2024): VND 458,562 million.



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Receivables: As of December 31, 2024, total receivables amounted to VND 15,212 million, representing a 21.12% decrease compared to January 01, 2024. Receivables accounted for 12.26% of charter capital and 3.32% of total assets.

*b) Debt Payable:*

At the end of the year, the Company's total liabilities amounted to VND 200,880 million, including: Short-term debt: VND 104,276 million and Long-term debt: VND 96,604 million. As of December 31, 2024, the Company's total outstanding loans (both short-term and long-term) amounted to VND 46,837 million, including: Loans from the Vietnam Development Bank – Binh Dinh Branch, used for the Quy Nhon City Water Supply and Sanitation Project (funded by ADB loans) and the Binh Dinh Nine-Town Water Supply Project (funded by WB loans). Loan for the Thi Nai Bridge Water Pipeline Rehabilitation Project (with an interest rate of 7% per year). Loan for the Clean Water Supply Project for Bui Thi Xuan Industrial Cluster and households in Residential Areas 7 and 8, Bui Thi Xuan Ward (with an interest rate of 7% per year). Loan for the Water Supply System Project for Becamex Binh Dinh Industrial Park, with a capacity of 2,900 m<sup>3</sup>/day-night (with an interest rate of 7% per year). The Company duly repaid principal and interest in accordance with loan agreements.

In 2024, the Company had no bad debts, foreign exchange differences, or loan interest rate discrepancies.

**3. Improvements in organizational structure, policies, and management:**

*a) Improvements in organizational structure:* The Company continued to streamline its organizational structure, ensuring clear task allocation. The salary and bonus policies were implemented with transparency, directly linked to individual performance across all departments.

*b) Improvements in policies and management:*

The Company proactively invested in and applied scientific and technological advancements in the production and distribution of clean water.

Enhancing customer service quality remained a top priority, with continuous oversight and directives from the Company's leadership.

**4. Development plans in future:**

The Company aims to maintain stability and drive growth, focusing on its core business of clean water production and supply. The average annual growth rate is targeted at 3% to 3.2%, in alignment with the Resolution of the 16th Congress of the



Party Committee of Binh Dinh Water Supply and Sewerage Joint Stock Company for the 2020-2025 term.

#### **5. Assessment Report related to environmental and social responsibilities of the Company:**

*a) Assessment concerning the environmental indicators:* In 2024, the Company managed the extraction and consumption of groundwater resources efficiently and responsibly. The production of clean water and the construction of water supply systems were carried out without causing negative environmental impacts.

*b) Assessment concerning the labor issues:* The Company strictly adhered to labor policies and employee welfare regulations, including: Training and professional development programs to enhance employees' political awareness and technical skills; Occupational safety and hygiene training, ensuring that workers in direct production roles were provided with appropriate personal protective equipment (PPE) suited to their industry; Job security and stable income for employees; Full compliance with social insurance policies, including Social Insurance (SI), Health Insurance (HI), Unemployment Insurance (UI), and Occupational Accident & Disease Insurance (OADI) for all employees.

*c) Assessment concerning the corporate responsibility for the local community:* The Company maintained strong collaboration and relationships with local authorities and relevant agencies to support the successful execution of its business and production activities.

#### **IV. ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION:**

##### **1. Assessments of the Board of Directors on the Company's operation and the Board of Management:**

In 2024, the Company made significant efforts to fulfill the targets set by the General Meeting of Shareholders; achieving several key production and business indicators as assigned. The specific results are as follows:

*a) Performance of Business and Production Targets:*

- Total water production: 28,104,477 m<sup>3</sup>, achieving 103.57% of the plan. (Company's own production: 56.52%, wholesale water purchases: 43.48%), increased by 4.57% compared to 2023.

- Total water consumption: 24,352,435 m<sup>3</sup>, achieving 103.58% of the plan, an increase of 4.62% compared to 2023



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- Water loss rate: 13.35%, a 0.01% reduction compared to the plan and a 0.04% reduction compared to 2023.

- Customer development: 6,704 new water service contracts were added compared to 2023.

- Water quality monitoring and inspection: Conducted in compliance with Circular No. 41/2018/TT-BYT dated December 14, 2018, issued by the Ministry of Health and Local Technical Regulation QCDP 01:2022/BD.

*b) Financial Performance in 2024:*

- Total revenue: VND 290,860 million, achieving 103.88% of the plan.

- Profit before tax: VND 44,964 million, achieving 94.46% of the plan.

- Total tax payments: VND 42,951 million.

- Dividend Payout Ratio: The 2025 Annual General Meeting of Shareholders is expected to approve a 2024 dividend payout ratio of 11.00% (VND 1,100 per share), achieving 104.76% of the plan. (This is based on Resolution No. 04/NQ-DHDCD, dated April 26, 2024, of the 2024 Annual General Meeting of Shareholders, which initially projected a 2024 dividend payout ratio of 10.5% of charter capital, sourced from undistributed post-tax profit for 2024).

*c) Supervision of the Board of Management's Activities:*

- In accordance with the 2024 Annual General Meeting of Shareholders' Resolution, the Board of Directors (BOD) has continuously directed the Board of Management to regularly review, assess, and adjust the business plan to align with the Company's actual operations. The objective is to maximize opportunities while ensuring efficiency and business safety.

- The Board of Management has closely followed the established strategies and tasks, leveraging advantages, mitigating challenges, and maintaining organizational flexibility. They have implemented appropriate business solutions in response to actual conditions while complying fully with legal regulations, the Company's Charter, and resolutions of the General Meeting of Shareholders and the Board of Directors.

- The BOD has regularly reviewed and evaluated business performance, including quarterly and annual financial indicators (3-month, 6-month, 9-month, and yearly reports). Based on these assessments, the BOD has provided timely guidance to the Board of Management, ensuring that the Company's resource requirements are met.

- Effectively managed cost control and cash flow. The recording, storage of documents, bookkeeping, financial reporting, and statistical reporting of the Company were conducted accurately and in compliance with regulations.

- Ensured job stability, maintained employee income, and fully implemented labor policies and benefits.

## ***2. Plans and orientations of the Board of Directors:***

### *a) Key Business and Production Targets for 2025:*

- Total revenue: VND 293,000 million;
- Total expenses: VND 256,200 million;
- Profit before tax: VND 36,800 million;
- Post-tax profit-to-charter capital ratio: 23.72%
- Dividend payout ratio: 7.5%.

### *b) Orientations for 2025:*

- Review, streamline, and restructure the Company's organizational system, aligning it with a workforce restructuring plan to ensure employees possess the qualities and competencies required for assigned tasks, following Resolution No. 18-NQ/TW dated October 25, 2017, of the 12th Central Committee of the Communist Party of Vietnam.

- Gradually implement the principles of Resolution No. 57-NQ/TW, dated December 22, 2024, issued by the Politburo, focusing on breakthroughs in scientific and technological development, innovation, and national digital transformation. Develop a plan and implement the application of automation technology in clean water production and business operations to ensure a safe water supply for residents, optimize costs, and protect the environment.

- Research and reform salary and bonus mechanisms to attract and retain high-quality human resources and skilled workers.

- Strive to reduce revenue and water loss rates as planned, ensure clean water quality, and enhance customer service. Maximize the capacity of existing water sources to provide a stable, continuous, and high-quality water supply for customers.

- Develop and implement a Safe Water Supply Plan in accordance with the Water Supply Safety Regulations of the Ministry of Construction.



- Continue the construction and execution of projects carried over from 2024 to 2025, as well as new projects for 2025 upon approval by the Company's Board of Directors.

- Continue developing the water pipeline network management system using ArcGIS and SCADA; implement the installation of new monitoring and surveillance equipment for real-time online supervision of the Company's entire water supply network.

*c) Potential Challenges:*

The rising costs of input materials for clean water production, including electricity, chemicals, bulk water purchases, fuel, pipeline installation materials, and labor, have led to an increase in overall production costs.

**V. CORPORATE GOVERNANCE:**

**1. Board of Directors:**

*a) Members and structure of the Board of Directors*

No	Full name	Position	Ratio of Voting Shares Held	Total Voting Shares Held
1	Nguyen Van Chau (including 3,847,348 shares representing state capital)	Chairman of the Board	31.05%	3,854,148
2	Le Tien Dung (including 2,482,160 shares representing state capital)	Member of the Board of Directors, General Director	20.05%	2,488,960
3	Le Thanh Cuong	Member of the Board of Directors, Deputy General Director	0.028%	3,500
4	Phan Dinh Tan	Non-executive Member of the Board of Directors	-	-
5	Ngo Thi Hong Van	Non-executive Member of the Board of Directors	3.997%	496,000

*b) The committees of the Board of Directors: None.*

*c) Activities of the Board of Directors:*

The Board of Directors operated in compliance with the Company's Charter. In 2024, the Board of Directors held 12 meetings, with a 100% attendance rate.

Resolutions and Decisions Issued by the Board of Directors in 2024:

No.	Resolution/ Decision No.	Date	Content	Approval Ratio
1	01/NQ-HDQT	January 25, 2024	Approved the full text of the draft Wholesale Water Supply Contract for supplying domestic water to Phuoc Loc and Phuoc Hiep communes, Tuy Phuoc district.	100%
2	02/NQ-HDQT	February 28, 2024	Approved the 2024 Annual General Meeting of Shareholders plan.	100%
3	03/NQ-HDQT	April 01, 2024	Approved the agenda and supporting documents for the 2024 Annual General Meeting of Shareholders.	100%
4	05/NQ-HDQT	May 14, 2024	Approved the selection of an independent audit firm to conduct the 2024 financial statements.	100%
5	88/QD-CTN	May 02, 2024	Approved the final settlement of the 2023 salary, remuneration, and bonus fund, and the 2024 salary, remuneration, and bonus plan for employees and company management.	100%
6	06/NQ-HDQT	July 24, 2024	Approved the 2023 dividend payment.	100%
7	270/QD-CTN	August 27, 2024	Regarding the establishment of the Vote Counting Committee to collect shareholder opinions in writing on the distribution of accumulated post-tax profit up to 2023.	100%
8	07/NQ-HDQT	August 27, 2024	Approved the timeline and materials for collecting shareholder opinions in writing.	100%
9	277/QD-CTN	August 30, 2024	Issued the Regulations on Emulation, Commendation, and Bonuses for Binh Dinh Water Supply and Sewerage Joint Stock Company.	100%
10	09/NQ-HDQT	October 15, 2024	Approved the cash dividend payment from accumulated undistributed post-tax profit up to 2023 (at a rate of 12.0% of charter capital).	100%



No.	Resolution/ Decision No.	Date	Content	Approval Ratio
11	10/NQ-HDQT	November 11, 2024	Approved the signing of an appendix to the contract with the audit firm for providing an additional English version of the 2024 audited financial statements.	100%
12	11/NQ-HDQT	November 11, 2024	Approved the provisional wholesale water purchase price for Phase 1 of the Quy Nhon Clean Water Plant Project, to facilitate temporary payment for bulk water purchases in 2024.	100%

*d) Activities of the independent, non-executive members of the Board of Directors:*

The independent, non-executive members of the Board of Directors actively participated in the Board of Directors meetings, providing valuable input that contributed to guiding the Company's business operations and management.

*e) Activities of the Board of Directors' subcommittees: None.*

*f) The list of members of the Board of Directors possessing certificates on corporate governance: None.*

## **2. Board of Supervisors:**

*a) Members and structure of the Board of Supervisors:*

No.	Full name	Position	Ratio of Voting Shares Held
1	Tran Nguyen Hanh Lan	Head of the Board of Supervisors	0.038%
2	Ha Phu Cuong	Member	0%
3	Huynh Thi Giao	Member	0%

*b) Activities of the Board of Supervisors:*

- In 2024, the Board of Supervisors monitored the Board of Directors and the Board of Management, ensuring that the Company was managed and operated in compliance with the Law on Enterprises, the Company's Charter, and the Resolutions of the General Meeting of Shareholders. The specific activities included:

+ The Head of the Board of Supervisors and its members fully participated in all Board of Directors' meetings, providing constructive recommendations to both the Board of Directors and Board of Management.

+ The Board of Supervisors proposed the selection of an independent audit firm to conduct the audit of the financial statements for the first half of 2024 and the full fiscal year of 2024.

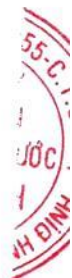
- Conducted inspection and assessment of the 2023 annual financial statements and the financial statements for the first six months of 2024. Monitored and supervised the implementation of General Meeting of Shareholders' resolutions, compliance with financial management regulations, capital utilization, and the Company's business efficiency.

Overall, during the execution of its duties, the Board of Supervisors received full cooperation and support from the Board of Directors and the Board of Management, facilitating the successful fulfillment of its responsibilities.

### 3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors:

a) Salary, remuneration and benefits: (VND million /year)

No.	Full name	Position	Salary & Bonus	Remuneration & Bonus	Total
1	Nguyen Van Chau	Chairman of the Board	607.860		607.860
2	Le Tien Dung	Member of the Board of Director - General Director	556.300		556.300
3	Le Thanh Cuong	Member of the Board of Director - Deputy General Director	512.536		512.536
4	Phan Dinh Tan	Non-executive Member of the Board of Director		142.782	142.782
5	Ngo Thi Hong Van	Non-executive Member of the Board of Director		142.782	142.782
6	Nguyen Nguyen Hoai Vien	Deputy General Director	499.376		499.376
7	Dang Hoang Trung	Chief Accountant	469.644		469.644





No.	Full name	Position	Salary & Bonus	Remuneration & Bonus	Total
8	Tran Nguyen Hanh Lan	Head of the Board of Supervisors	509.708		509.708
9	Ha Phu Cuong	Head of the Board of Supervisors		109.072	109.072
10	Huynh Thi Giao	Head of the Board of Supervisors		109.072	109.072

b) *Share transactions by internal shareholders:* None.

c) *Contracts or transactions with internal shareholders:* None.

d) *The implementation of regulations on corporate governance:* The Company fully complies with corporate governance regulations in accordance with legal requirements and the Company's Charter.

## VI. FINANCIAL STATEMENTS:

### 1. Auditor's opinions:

Excerpt from Document No. 69/2025/BCKT-CPA VIETNAM-NV2, dated February 6, 2025, issued by CPA VIETNAM Auditing Company Limited:

Auditor's Opinion:

*"In our opinion, the accompanying financial statements gives a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements in Vietnam".*

### 2. Audited financial statements:

Auditor: CPA VIETNAM Auditing Company Limited – A member of the INPACT International Auditing Network.

Headquarters Address in Hanoi City: 8th Floor, VG Building, No. 235 Nguyen Trai, Thanh Xuan District, Hanoi City

Phone: 024. 3783 2121 Fax: 024 3783 2122

Website: [www.cpavietnam.vn](http://www.cpavietnam.vn).

The financial statements for the fiscal year ending December 31, 2024, of Binh Dinh Water Supply and Sewerage Joint Stock Company, have been disclosed in

compliance with regulations and are available on the Company's website at:  
<http://binhdinhwaco.com.vn>.

This concludes the 2024 Annual Report of Binh Dinh Water Supply and Sewerage Joint Stock Company. Respectfully submitted to Shareholders, the State Securities Commission, and the Hanoi Stock Exchange. *me*

**Recipients:**

- As stated above;
- Company Website;
- Archived.

*me*

**THE COMPANY'S LEGAL REPRESENTATIVE  
CHAIRMAN OF THE BOARD  
OF DIRECTORS**



**Nguyen Van Chau**

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