

ANNUAL REPORT 2024
LAM DONG WATER SUPPLY AND SEWERAGE JOINT STOCK
COMPANY

Table of Contents

I. General Information	4
1. Overview Information	4
2. History and Development	4
3. Business lines and areas	7
4. Governance model, business organization and management apparatus	8
5. Development orientation	11
6. Risk identification	13
II. Operational Overview in the Year	20
1. Production and Business Activities in 2024	20
2. Organization and Personnel.....	23
3. Financial situation	31
4. Shareholder structure, changes in the owner's equity	35
5. Environment-Social-Governance (ESG) Report of the Company	37
III. Assessment report of the Board of Directors	43
1. Evaluation of production and business performance results	43
2. Financial situation	47
3. Improvements in organizational structure, policies, and management	49
4. Future development plan.....	54
5. Report on environmental and social responsibility assessment	67
6. Board of Directors' explanation for audit opinions	68
IV. Board of Directors' Assessment	68
1. Evaluation of the Company's operational aspects	68
2. Board of Directors' assessment of the General Director Board's activities....	72

3. Board of Directors' plans and orientations.....	73
V. Corporate Governance.....	74
1. Board of Directors.....	74
2. Board of Supervisors.....	95
3. Transactions, remuneration and benefits of the Board of Directors, Member of the Board of Supervisors and Board of General Directors	101
VI. Financial Statements.....	110

ABBREVIATIONS

BOD: Board of Directors

BOM: Board of Management

BOS: Board of Supervisory

BO: Business Operations

PBT: Profit Before Tax

PAT: Profit After Tax

AGM: General Meeting of Shareholders

WM: Water Meter

PPC: People's Committee

LLC: Limited Liability Company

WP: Water Plant

NRE: Natural Resources and Environment

OHS – OD: Occupational Health and Safety – Occupational Disease

CC: Charter capital

CS: Customer Service

I. General Information

1. Overview Information

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

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

Abbreviation name: LAWACO

Stock code: LDW

Address: No. 50 Hung Vuong Street, Ward 9, Da Lat City, Lam Dong Province, Vietnam.

Business Registration Certificate: No. 5800000174 issued by the Department of Planning and Investment of Lam Dong Province for the first time on 11th November, 2005 and the 11th business change registration on 30th December, 2024.

Charter capital: 788,000,000,000 VND.

Telephone: 0263 3822 457 - 0263 3822 240.

Fax: 0263 - 3 824 050.

Email: lawacoldg@gmail.com

Website: www.lawaco.com

2. History and Development

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

In 1949: Construction of Water Plant No. 2 (Xuan Huong Lake Plant). Capacity 2,700 m³ /day and night.

In 1970: Water production in Da Lat City under the name of Da Lat Water Management. Average water production 5,400 m³ /day and night.

In 1971: Renamed to Da Lat Water Supply Company, later changed back to Da Lat Water Supply Center. Establishment of Bao Loc Water Supply Center and Di Linh Water Supply Center.

In 1975: Da Lat Water Supply Center was taken over and managed by the Da Lat City Military Management Committee.

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

In 1978: Construction of Chien Thang Lake pumping station to supplement water sources for Xuan Huong Lake Water Treatment Plant.

In 1979: Handover of Water Supply and Sewerage Construction Company No. 2 to the Provincial Public Works Management Company.

In 1982: The plant is under Lam Dong Construction Company.

In 1984: Lam Dong Provincial People's Committee issued Decision No. 313/QĐ/UB on the establishment and regulation of functions and tasks of Da Lat Water Supply Plant and officially appointed the Plant's Board of Directors. The Provincial People's Committee assigned Da Lat Water Supply Plant to manage and operate Dan Kia Suoi Vang Water Treatment Plant.

In 1985: The Dan Kia Suoi Vang water treatment plant officially commenced operations, supplying water to 4,000 customer households with a capacity of 8,000 m³ / day and night.

In 1991: Lam Dong Provincial People's Committee issued Decision No. 131/QĐ-UB establishing Lam Dong Water Supply and Sewerage Company. The Company took over other units in the province, including Bao Loc Water Plant, Di Linh Water Plant, and Duc Trong Water Plant.

In 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 Ho Xuan Huong Water Plant to a capacity of 6,000 m³/day, and replacing and expanding the transmission network to the reservoirs.

In 2000: Lam Ha Water Plant was completed with a capacity of 1,400 m³/ day and night.

Period 2002 - 2004: In 2002, the Company built Golden Valley Ecological Garden, which came into operation in 2004.

In 2005: Lam Dong Provincial People's Committee issued Decision No. 2873/QĐ-UBND on converting the state-owned enterprise Lam Dong Water Supply and Sewerage Company into Lam Dong One Member Limited Liability Water Supply and Sewerage Company.

In 2008: Di Linh Water Plant was equitized to become Di Linh Water Supply, Sewerage and Construction Joint Stock Company, a Company's subsidiaries of Lam Dong One Member Limited Liability Water Supply and Sewerage Company; Bao Loc Water Plant was equitized to become Bao Loc Water Supply, Sewerage and Construction Joint Stock

Company, a Company's subsidiaries of Lam Dong One Member Limited Liability Water Supply and Sewerage Company; Da Lat Water Plant was established, operating in production and business, and developing customers in Da Lat City and Lac Duong District.

In 2009: Da Lat Water Plant was split into two units: Da Lat Water Plant (water production) and Business Department (later renamed Da Lat Water Supply Enterprise) - tap water business, customer management and development in Da Lat City and Lac Duong District.

In 2010: Design Consulting Enterprise was equitized to become Water Supply and Sewerage Design Consulting Joint Stock Company and is an associate of Lam Dong One Member Limited Liability Water Supply and Sewerage Company; Duc Trong Water Plant was equitized to become Duc Trong Water Supply Drainage and Construction Company and is an associate of Lam Dong One Member Limited Liability Water Supply and Sewerage Company.

In 2011: Golden Valley Ecological Garden was transformed into Da Lat Golden Valley Tourism Service Joint Stock Company and is an associate of Lam Dong One Member Limited Liability Water Supply and Sewerage Company.

In 2012: Established the Dankia lakebed management team; Established Da Huoai Water Plant, with the function of managing and operating the domestic water supply system of Da Mbri town; Established Dam Rong Water Plant, with the function of managing and operating the domestic water supply system of Bang Lang town; Handed over Nam Ban Water Treatment Plant to Lam Ha Water Plant for management and operation.

In 2015: Ho Xuan Huong Water Plant ceased operations because it belonged to the clearance area for the implementation of Gold Valley urban park.

In 2016: Divested from Da Lat Golden Valley Tourism Service Joint Stock Company, Lam Dong Water Supply and Sewerage Construction Consulting Joint Stock Company; Transferred the state capital at Bao Loc Water Supply and Sewerage Construction Joint Stock Company to Bao Loc City.

In 2017: Lam Dong Provincial People's Committee issued Decision No. 774/QĐ-UBND to equitize Lam Dong One Member Limited Liability Water Supply and Sewerage Company.

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

In 2019: Lam Dong Provincial People's Committee transferred the State ownership representation rights at Lam Dong Water Supply and Sewerage Joint Stock Company to State Capital Investment Corporation.

Period 2020 - 2022: Restructured the Company's apparatus towards streamlining and efficiency.

In 2023: Amended the Company's charter for the second time, adding Chemical testing and Biological testing services to the Company's business lines.

In 2024: Successfully divested from 02 associated companies, including: (1) Duc Trong Water Supply, Drainage and Construction Joint Stock Company; (2) Di Linh Water Supply and Construction Joint Stock Company.

3. Business lines and areas

3.1 Business lines

Industry code	Business lines and industries
1104	Production of non-alcoholic beverages, mineral water Details: Bottled water production.
3600 (Main)	Water exploitation, treatment and supply
3700	Sewerage and wastewater treatment
4322	Installation of water supply and sewerage systems, heating and air conditioning
4663	Wholesale of other construction materials and equipment Details: Wholesale of flat glass, hardware and locks, pipes, joints, other fittings, water heaters, sanitary ware such as: bathtubs, sinks, toilets, other sanitary ware, sanitary installation equipment such as: pipes, conduits, joints, faucets, T-joints, rubber hoses; hand tools: hammers, saws, screwdrivers, other hand tools.
4752	Retail sale of hardware, paint, glass and other construction installation equipment in specialized stores Details: Trading in water supply and sewerage materials and equipment.
7110	Architectural activities and related technical consultancy Details: Consulting on the design of civil construction works, water supply and sewerage works, construction supervision. Supervision of civil, industrial, water supply and sewerage, irrigation works. Preparation of construction investment projects, appraisal of investment projects, environmental impact assessment. Design and cost estimation of civil, industrial, water supply and sewerage, and irrigation construction works.
7120	Technical inspection and analysis

	Details: Inspection, calibration, and testing services for mechanical cold water meters with diameters from 15mm to 50mm.
7211	Scientific research and technological development in the field of natural sciences Details: Chemical testing, biological testing

3.2 Business areas

The Company operates mainly in the field of producing and supplying clean water to Da Lat City and urban centers in districts of Lam Dong province (except for Bao Loc City, Di Linh district and Lien Nghia town, Duc Trong district). In addition, the Company is the only unit providing wastewater treatment and sewerage services in Lam Dong province.

4. Governance model, business organization and management apparatus

4.1 Governance model

The Company operates under the joint-stock company model as prescribed in Point a, Clause 1, Article 137 of the Enterprise Law No. 59/2020/QH14 dated 17th June, 2020 and relevant legal regulations, with the management apparatus structured as follows:

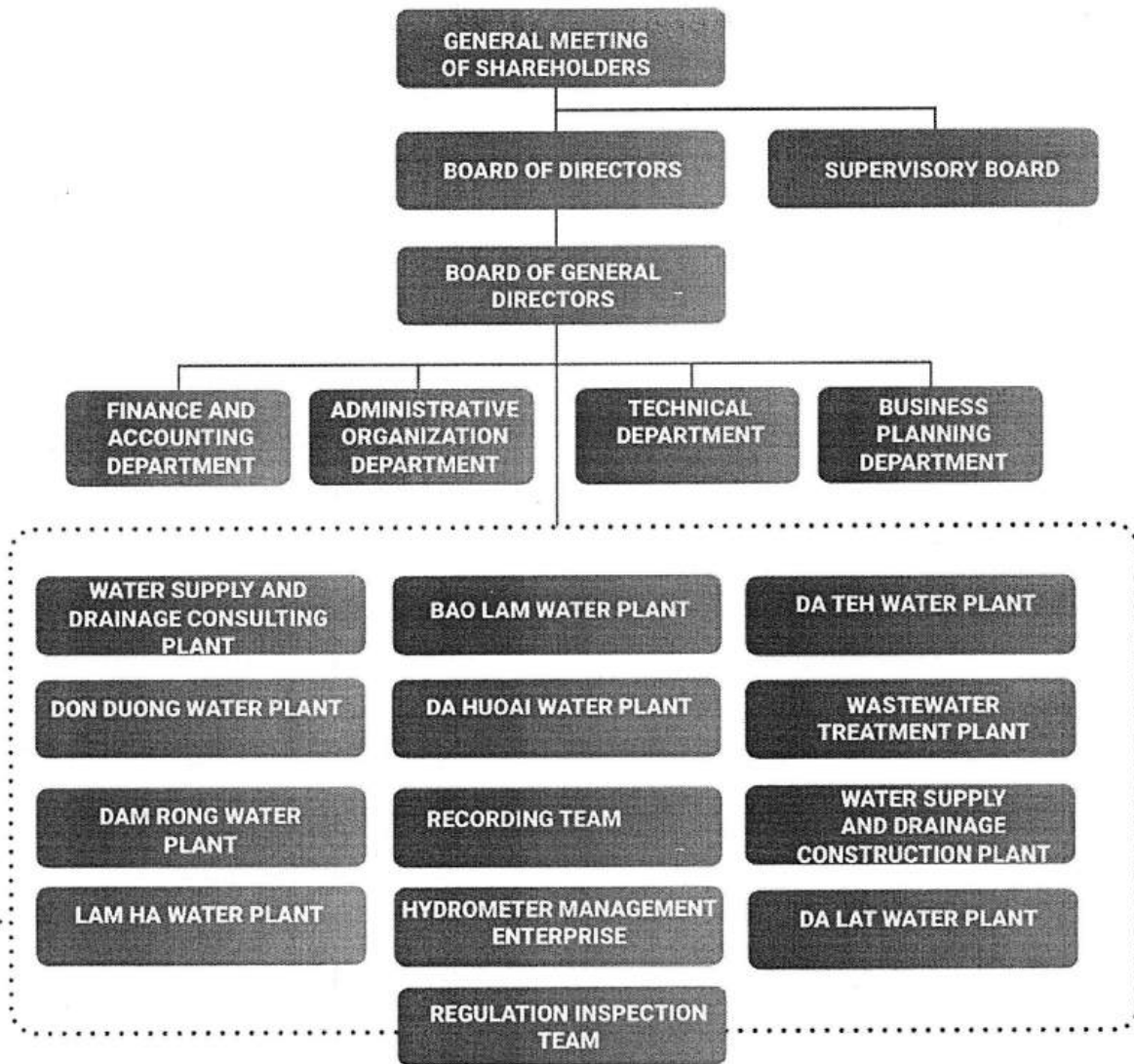
General Meeting of Shareholders: Comprising all shareholders with voting rights, is the highest decision-making body of the Company.

Board of Directors: The governing body of the Company, having full authority on behalf of the Company to decide all matters related to the Company's objectives and interests, except for matters under the authority of the General Meeting of Shareholders.

Board of General Directors: The executive body of the Company's daily operations and is responsible to the Board of Directors for the performance of assigned rights and duties.

Board of Supervisory: Performs the task of supervising all business, management, and operational activities of the Company on behalf of the shareholders.

4.2 Management structure



4.3 Company's subsidiaries

LAWACO has no subsidiaries.

4.4 Affiliated units of the Company

No.	Name of member unit	Address	Main business activities
1	Lam Ha Water Plant	Dinh Van Town, Lam Ha District, Lam Dong Province	Clean water production and business

No.	Name of member unit	Address	Main business activities
2	Bao Lam Water Plant	Loc Thang Town, Bao Lam District, Lam Dong Province	Clean water production and business
3	Da Teh Water Plant	6A Quarter, Da Teh District, Lam Dong Province	Clean water production and business
4	Don Duong Water Plant	Thanh My Town, Don Duong District, Lam Dong Province	Clean water production and business
5	Dam Rong Water Plant	Bang Lang Town, Dam Rong District, Lam Dong Province	Clean water production and business
6	Da Huoai Water Plant	Madagui Town, Da Huoai District, Lam Dong Province	Clean water production and business
7	Da Lat Water Plant	Da Lat City, Lam Dong Province	Clean water production and business
8	Wastewater Treatment Plant	Da Lat City, Lam Dong Province	Wastewater sewerage and treatment system management
9	Water Supply and Drainage Consulting Plant	Da Lat City, Lam Dong Province	Design consultancy and supervision of basic construction projects
10	Water Supply and Drainage Construction Plant	Da Lat City, Lam Dong Province	Construction and installation of water supply systems, basic construction
11	Hydrometer Management Enterprise	Da Lat City, Lam Dong Province	State verification of cold water meters from 15 - 50 mm.

4.5 Associated companies

As of 31st December, 2024, LAWACO has no associated companies. During the year, the Company divested from 02 associated companies: Duc Trong Water Supply, Drainage and Construction Joint Stock Company and Di Linh Water Supply and Construction Joint Stock Company.

5. Development orientation

5.1 The Company's main objectives

Focus on developing core activities and services, including water supply, treatment, and related activities, to optimize the use of existing resources, equipment, and personnel. The central objective is to enhance the Company's production and business efficiency, aiming towards sustainable development.

Based on the established roadmap, the Company continues to implement water loss prevention measures, regularly performs periodic maintenance of machines and equipments at pumping stations and plants. At the same time, the Company proactively detects, promptly handles, and repairs technical incidents in main pipes and branch pipes during operation, ensuring stable, continuous, and safe operation.

Research and finalize the plan to Combat Water Loss and Revenue Loss, applying it across the entire enterprise. Simultaneously, strengthen the direction of wastewater treatment activities, promptly addressing incidents related to water quality to ensure safe water supply for customers. In addition, enhance the implementation of waterproofing measures for reservoirs, leak detection, and effective measures to reduce water loss rates percentage.

The Company continues to restructure its management apparatus for streamlining and efficiency, while rationally allocating and arranging human resources to enhance service quality and better meet customer needs across the entire system. Furthermore, the Company maintains rigorous periodic maintenance and upkeep of machinery and equipment at plants, pumping stations, and the pipeline network, ensuring stable and sustainable system operation. All technical incidents, from main and branch pipe leaks to reservoir damage, are promptly detected and addressed, contributing to the continuous, safe, and reliable water supply for residents.

The Company continues digital transformation across various operational areas, researching and applying advanced technological solutions at reasonable costs to address practical needs and resolve existing issues. This digital transformation is guided by building a digital culture within the organization, considering it a core foundation, thereby establishing appropriate development directions and roadmaps to optimize operational processes. Based on this, the Company renovates, upgrades, automates, and modernizes its plants with the principles of economy and efficiency, contributing to increased productivity

and service quality, effective data management, and maintaining sustainable competitive advantages.

The Company continues to implement market expansion strategies outside the province and region to enhance competitiveness and operational efficiency. Concurrently, LAWACO focuses on increasing the effectiveness of the water loss control program, completing and comprehensively deploying the anti-loss plan with comprehensive and thorough solutions, following the direction of the Lam Dong Provincial People's Committee.

The Company also develops strategies to enhance the efficiency of production and business activities, ensuring the maintenance and improvement of Return on Equity (ROE) in the following years. The focus is on improving the quality of human resources and effectively applying information technology in management and administration.

The Company implements activities according to the Urban Water Supply Development and Safety Plan for Lam Dong Province until 2025, aiming to increase the percentage of urban households using clean water, striving to reach at least 80% by 2025.

Additionally, the Company focuses on expanding and upgrading the water supply system, aiming to increase the urban water supply capacity of the entire province to at least 241,500 m³/day and night, to meet the increasing demand for clean water while ensuring a stable, sustainable, and safe water supply for residents in the region.

5.2 Medium and long-term development strategy

LAWACO focuses on synchronizing the water supply system by applying advanced technologies to production and business activities, 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.

The company promotes the construction and completion of a modern water supply system, serving central urban areas, sub-regions, and class-IV or higher urban areas. 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 overcoming water shortages in certain specific areas, while simultaneously deploying comprehensive and thorough inspection and maintenance of water pipelines and equipment periodically. These efforts aim to ensure that the supplied water always meets the quality standards set by the Ministry of Health.

The company strengthens the application of advanced science and technology in the operation process, not only to improve water quality but also to optimize system

performance, minimize costs, and limit negative impacts on the environment, towards the goal of sustainable development.

Prioritize focusing on researching and building a methodical digital transformation strategy, gradually applying it to the company's fields of activity, with a focus on building a digital culture. This not only helps optimize work processes but also creates a solid foundation for sustainable development in the digital age.

5.3 Sustainable development goals

Besides pursuing profit growth targets, Lam Dong Water Supply and Sewerage Joint Stock Company (LAWACO) always focuses on improving the quality of clean water supply services, while ensuring full and strict compliance with current legal regulations. This orientation not only contributes to consolidating the long-term development foundation of the enterprise but also contributes to ensuring the health safety of people using the water supplied by LAWACO, while improving the quality of life and promoting social security in the local community.

Board of Management pays special attention to developing human resources, building transparent, clear, and specific promotion policies, and strictly implementing occupational safety measures at the workplace, thereby building a professional workforce with expertise, ready to adapt quickly to the fluctuations of the industry and the production and business methods set forth by the Board of Directors.

Actively participating in local programs, LAWACO constantly promotes communication to raise people's awareness about the importance of using clean water with clear origins and meeting the standards set by the Ministry of Health. Thereby, the company encourages the community to use water economically and efficiently, avoid the indiscriminate exploitation of water resources, contributing to environmental protection and ecological balance. In addition, LAWACO always focuses on investing in research and application of advanced technological solutions in clean water treatment and supply. Typically, the deployment of real-time monitoring systems helps optimize service quality, enhance transparency, and ensure safety in water supply, meet the increasingly high demands of modern society for clean water.

Develop and implement the 2025 environmental protection plan for the entire company to ensure production is linked with environmental protection, comply with legal regulations on the exploitation and use of water resources in production.

6. Risk identification

6.1 Economic Risks

According to the General Statistics Office, Vietnam's 2024 GDP increased by 7.09% year-on-year, lower only than the growth rates of 2018, 2019, and 2022 during the 2011-2024 period. Within the overall economic growth, the agriculture, forestry, and fishery sector grew by 3.27%, the industry and construction sector by 8.24%, and the service sector by 7.38%. Overall, Vietnam's economic landscape is assessed as having grown well and achieved the National Assembly's targets. However, in 2024, the situation remained complex as external macroeconomic risk factors negatively impacted the domestic economy. Fluctuations such as trade tensions, war, and inflation are projected to intensify in 2025, leading to forecasts of a global economic downturn, impacting Vietnam's economy.

Despite operating in an essential sector serving society, macroeconomic factors are not risks that directly and strongly impact the water supply industry. However, LAWACO recognizes that better GDP growth in the future will increase the demand for clean water for domestic and production purposes.

Vietnam is aiming for 100% access to clean water in urban areas, with a standard consumption rate of 120 liters/person/day, according to the water supply development plan for urban areas and industries up to 2025. In reality, rapid urbanization in Vietnam is putting significant pressure on the existing water supply system. The increasing urban population not only raises water demand but also leads to overloading of water supply infrastructure, especially in major cities.

Faced with the pressure of increasing clean water usage by the community, LAWACO proactively and scientifically mitigates economic risks through measures such as:

- Accurately assessing current water demand and forecasting future trends to develop rational exploitation and distribution plans, avoiding supply overload.
- Applying smart technologies like electronic water meters and flow monitoring systems will help detect anomalies early and manage resources more effectively.
- Promoting awareness campaigns to enhance community awareness of water conservation and sustainable resource use, thereby reducing pressure on the water supply system.
- Collaborating with local authorities to control groundwater exploitation and protect natural water sources.

Through these measures, LAWACO aims to ensure the stability and sustainability of the water supply system while adapting to economic fluctuations in the coming period.

6.2 Investment Capital Risks

The water supply sector requires substantial initial investment and a long payback period due to the specific nature of large-scale infrastructure construction and the long-term nature of business operations. This poses numerous financial challenges. Investment costs are not only focused on building water treatment plants and distribution pipeline systems but also include maintenance and periodic upgrades to ensure service quality. Meanwhile, water prices are often strictly controlled by regulatory agencies to ensure public access, leading to low-profit margins and extended payback periods. These factors create significant pressure on the Company's financial capacity and increase the risk in mobilizing and using capital effectively.

Currently, the Company has outstanding loans from the Subsidiary Loan Agreement between the Ministry of Finance of Vietnam and LAWACO to finance projects, including the Da Lat City Water Supply project and the Lam Dong province water supply sub-project. As the interest rate for these loan agreements is fixed (6.75%/year + 0.2%/year of the outstanding loan balance) and remains unchanged throughout the loan term, the investment capital risk is assessed by the Company's management as relatively low.

LAWACO conducts annual assessments of implemented and ongoing projects, evaluating their feasibility and capital demand responsiveness to identify potential investment capital risks early. The Company pays particular attention to analyzing factors such as interest rate fluctuations, inflation rates, and changes in credit policies, thereby developing flexible financial plans to minimize capital cost pressures. Simultaneously, LAWACO proactively diversifies its capital sources by combining commercial loans, state budget support, and international investment funds to limit dependence on a single financial channel. Furthermore, the company regularly reviews the efficiency of capital utilization, ensuring projects are implemented on schedule and achieve the highest economic efficiency, contributing to minimizing financial risks and optimizing long-term profits.

6.3 Legal Risks

As an equitized enterprise from a State-owned enterprise, currently operating under the Joint Stock Company model and registered for trading on the Hanoi Stock Exchange (UPCoM), LAWACO is subject to regulations and legal documents such as the Law on Enterprises, the Law on Securities, the Law on Accounting, the Law on Tax Administration, along with relevant Decrees and Circulars.

Additionally, the Company operates in the water supply and treatment sector; therefore, its production and business activities are affected by legal documents related to the specific nature of the industry, such as the Law on Water Resources, the Law on Environmental Protection, along with standards and conditions for safe and clean water quality.

In the context of continuously improving and updated legal documents, many new regulations directly impact LAWACO's operations. For instance, Law No. 56/2024/QH15 (issued on 29th November, 2024, effective from 1st January, 2025) amends and supplements several articles of the Law on Securities, the Law on Accounting, the Law on Tax Administration, etc.; or Circular 68/2024/TT-BTC (issued on 18th September, 2024, effective from 2nd November, 2024), which requires listed companies and large-scale public companies like LAWACO to publish periodic information in English starting from 1st January, 2025. These changes require LAWACO to constantly update and adjust its operations to ensure full compliance with legal regulations.

Moreover, the legal system related to the water supply and sewerage sector is continuously updated and adjusted, creating difficulties in monitoring and fully implementing regulations. Changes in clean water prices, environmental protection fees for wastewater, and related taxes can affect the financial operations and business plans of the enterprise.

To mitigate legal risks and ensure full compliance with legal regulations, the Company has established a comprehensive legal compliance system. This includes obtaining water exploitation permits under the Law on Water Resources, controlling output water quality to meet prescribed hygiene and safety standards, and implementing measures to minimize environmental impact under the Environmental Law. In addition, the Company cooperates with specialized consulting units to monitor compliance with securities laws and business regulations, while proactively preventing disputes arising from water resource usage rights or issues related to pollution and resource infringement. Furthermore, the Company prioritizes information transparency and maintains dialogue with state management agencies: Implementing full, accurate, and timely information disclosure, including the requirement to publish information in English according to new regulations; Enhancing interaction and dialogue with state management agencies to promptly grasp changes in legal policies, thereby adjusting business activities accordingly.

6.4 Weather risks

Lam Dong Province has a tropical monsoon climate with two distinct seasons: dry and rainy, both posing significant challenges to the water supply sector. During the dry season, typically lasting from November to April of the following year, rainfall is very low, with many areas experiencing no rain for consecutive months. This leads to severe water shortages, depleted rivers, streams, and reservoirs, making it difficult to ensure water supply for daily life and production. Meanwhile, the rainy season (from May to October) brings excessive rainfall concentrated in short periods, often causing floods, soil erosion, and water contamination due to sediment and waste overflowing into rivers and lakes. The stark contrast between the two seasons makes water management, regulation, and storage

a complex problem, requiring comprehensive technical and planning solutions to balance water demand throughout the year.

To mitigate this impact, the Company has implemented comprehensive solutions such as water resource planning and management, environmental protection through erosion control and pollution control, investment in sustainable infrastructure with materials resistant to low temperatures and high pressure, as well as enhancing response capacity through staff training and emergency planning, to ensure stable water supply and sustainable development in the long term. The Company has actively collaborated with local authorities to develop and implement optimal solutions, ensuring effective and sustainable water exploitation while strictly complying with legal regulations on environmental protection and water resource management. These efforts aim to best meet the increasing water demand of the population, contributing to improving the quality of life and socio-economic development in the region.

6.5 Clean water loss risks

The causes of clean water loss in the Company's operations often stem from various factors, both objective and subjective.

One of the main causes is the deterioration of the water pipeline system, especially in areas with outdated infrastructure or lacking upgrades. Leaky and broken pipes not only waste water but also reduce water pressure for end-users. In addition, ineffective management and monitoring of the water supply network also contribute to increased losses, such as the lack of modern metering equipment or errors in water meters.

Natural factors such as complex terrain, land subsidence, or the impact of climate change also make the system more vulnerable to damage. Notably, illegal water use and illegal connections to pipelines are also common causes, causing significant losses for the company.

The higher the Water loss rate percentage, the greater the impact on the company's gross profit margin.

To minimize water loss risks, the Company plans to train technical staff in professional operation and troubleshooting, while establishing procedures for regular inspection and monitoring of pipeline systems and equipment. The application of smart technologies such as the SCADA system helps to detect problems early and minimize errors. More importantly, the Company focuses on building a culture of proactive reporting and troubleshooting, which will contribute to ensuring effective management and stable water supply.

In parallel, the Company is implementing close coordination with local authorities to address issues such as illegal water usage or encroachment on the water supply system. Developing contingency plans to respond to climate change, such as increasing water reserves during the rainy season to compensate for the dry season. Finally, focusing on investing in upgrading and maintaining infrastructure systems, especially aging pipelines or those vulnerable to complex terrain, land subsidence, or natural disasters, helps minimize damage caused by natural factors.

6.6 Environmental Risks

Lam Dong has long been a tourism hotspot, with its scenic beauty and cool climate, which has helped the locality develop its economy rapidly and attract many investors. However, rapid development coupled with loose management conditions has led to alarming situations, especially environmental ones. The increase in tourists leads to a large amount of waste, especially plastic waste from tourist attractions, night markets, restaurants, and hotels, while the waste collection and treatment system has not met the demand. Wastewater from accommodation establishments and food services has not been thoroughly treated before being discharged into the environment, polluting rivers and lakes, and threatening the natural ecosystem.

Agricultural activities in Lam Dong, although playing an important role in local economic development, are also one of the main causes of environmental pollution. The overuse of chemical fertilizers, pesticides, and growth stimulants in the cultivation of flowers, vegetables, and industrial crops has led to land degradation and water pollution. In particular, the construction of a series of greenhouses on hillsides and sloping terrain without proper planning has caused serious consequences, notably landslides. Greenhouse projects often require bulldozing and excavation to create a level ground, disrupting the natural structure of the soil, making it prone to erosion during heavy rains.

Faced with potential environmental risks, the Company is boosting investment in modernizing infrastructure systems, especially the pipeline network and water treatment plants, to minimize leakage and ensure water quality. At the same time, applying advanced technologies such as water quality monitoring sensors and early warning systems for pollution or water source depletion to promptly address arising issues. In addition, the Company enhances close coordination with local authorities and relevant parties to effectively manage water resources, preventing uncontrolled discharge from agriculture, industry, and daily life.

6.7 Other Risks

In addition to the above risks, the Company also faces force majeure risks such as natural disasters, fires, wars, epidemics, which can cause serious damage to production and business activities, affecting infrastructure, equipment, human resources, and interrupting the clean water supply process. These risks not only cause human and property losses but also increase the costs of remediation, repair, and maintenance of the water supply and sewerage system and affect the stability of the service.

To mitigate the impact of these risks, the Company proactively develops prevention and response plans, including implementing emergency response scenarios, periodically inspecting the water supply system, and early detection of potential risks. At the same time, the Company invests in backup systems and infrastructure protection, installs early warning systems, reinforces high-risk areas, and ensures a reserve water source for continuous supply in emergencies.

In addition, the Company strengthens risk insurance for assets, constructions, and production and business activities to minimize financial losses in case of incidents, and implements labor and safety insurance for employees. Moreover, collaborating with local authorities, disaster prevention agencies, and rescue forces helps the Company promptly respond to force majeure situations. Training and raising employee awareness of emergency procedures are also promoted to minimize damage in case of incidents.

The Board of Directors recognizes that proactively preventing and mitigating the impact of force majeure risks not only helps the Company maintain stable and sustainable operations, but also ensures a continuous, safe, and reliable clean water supply for customers.

II. Operational Overview in the Year

1. Production and Business Activities in 2024

“The positive business results in 2024 are the result of the efforts of the Board of Directors and all LAWACO employees, who have united internally, promoted democracy, and worked together to complete the production and business tasks set by the General Meeting of Shareholders.”

Unit: Million VND

No.	Indicator	Plan 2024	Actual 2024	Actual 2024/ Plan 2024	Actual 2023	% Actual 2024/ Actual 2023
1	Total revenue	355,303	389,627	109.67%	354,386	109.94%
-	Net revenue from goods sold and services rendered	311,264	319,686	102.71%	297,054	107.62%
-	Financial income	42,155	69,321	164.44%	55,467	124.98%
-	Other income	1,884	619	32.86%	1,865	33.19%
2	Operating profit		125,214		98,579	127.02%
3	Accounting profit before tax	85,722	124,672	145.44%	98,884	126.08%
4	Net profit after corporate income tax	68,577	99,702	145.39%	79,056	126.12%
5	Water loss rate percentage	18%	17.94%	99.67%	18.005	99.64%

At the end of the 2024 fiscal year, the Company's total revenue reached 389,627 million VND, increasing 9.94% year-on-year and exceeding the plan set by the General Meeting of Shareholders by 9.67%. Net revenue increased 7.62% compared to the previous year, reaching 319,686 million VND, mainly due to the positive impact from the Company's clean water business activities. During the year, the average water selling price increased

compared to the same period, specifically, the average selling price in 2024 reached 13,302 VND/m³, which was 584 VND/m³ higher than in 2023. At the same time, the Company also developed 3,727 customer households, an increase of 88 households compared to 2023, and higher water demand, contributing to an increase in produced water and recorded consumed water, by 3.29% and 3.36% respectively, compared to the previous year. Notably, the water loss rate percentage continued to decrease, contributing positively to the revenue from goods sold and services rendered .

The main business segments recorded stable growth, corresponding to the increasing demand for clean water in residential areas and production organizations in the region. In addition, the effective management of the water pipeline system and the application of technology in operations have helped LAWACO reduce the cost of goods sold despite the expansion of scale.

During the period, the Company recorded a significant increase in financial income, reaching 69,321 million VND, an increase of 13,854 million VND, equivalent to a 24.98% increase compared to the same period. This growth mainly comes from the Company's divestment of shares in two associated companies, Duc Trong Water Supply, Drainage and Construction Joint Stock Company and Di Linh Water Supply and Construction Joint Stock Company. Meanwhile, financial expenses, mainly interest expenses, did not fluctuate significantly, contributing to promoting net profit from business activities.

The Company's accounting profit before tax and net profit after corporate income tax both recorded double-digit growth compared to the same period last year, reaching 124,672 million VND and 99,702 million VND, respectively, corresponding to increases of 26.08% and 26.12% compared to 2023.

In 2024, production and business activities continued to record positive developments. Specifically, water production recorded 26,691 thousand m³, an increase of 3.29% compared to 2023; recorded consumed water was 21,902 thousand m³, an increase of 3.36% compared to 2023; the water loss rate percentage implemented in 2024 was 17.94%, 0.06% lower than the 2024 plan and lower than the previous year; customer household development achieved positive results in the year, reaching 3,727 households, 24.23% higher than the 2024 plan and 2.42% higher than in 2023. These factors contributed to the overall business results in 2024 exceeding the set target.

Amidst the economic recovery of 2024, LAWACO proactively seized opportunities to effectively implement business production tasks, ensuring a stable clean water supply for customers in the area, promptly receiving and processing customer repair requests, and guaranteeing technical requirements and occupational safety in technical work. Furthermore, the Company conducted water quality analysis for both supply and

wastewater in Da Lat City and surrounding districts, adhering to issued regulations to ensure water quality compliance with Vietnamese standards.

Structure of Net Revenue from Goods Sold and Services Rendered

No.	Indicator	Actual 2024		Actual 2023		% Actual 2024/ Actual 2023 (%)
		Value (million VND)	Percent age (%)	Value (million VND)	Percent age (%)	
1	Clean water supplied	291,335	91.13	269,689	90.79	108.03
2	Construction and installation of water supply systems	7,809	2.44	8,112	2.73	96.26
3	Wastewater treatment	19,315	6.04	18,416	6.20	104.88
4	Other	1,227	0.38	837	0.28	146.59
Total		319,686	100.00	297,054	100.00	107.62

Supplying clean water continues to be LAWACO's core business segment, contributing significantly to the total net revenue. In 2024, the Company recorded revenue from clean water business reaching 291,335 million VND, accounting for 91.13% of total net revenue, an 8.03% increase compared to the same period last year.

This growth is mainly attributed to the increase in average water price and the expansion of clean water consumption compared to the previous year. Specifically, the average water price in 2024 reached 13,302 VND/m³, which was 584 VND/m³ higher than the 12,718 VND/m³ in 2023. In addition, the demand for clean water in business and production facilities and service units in Da Lat City has recovered as the economy stabilizes and attracts more tourists, which is an important driver for the growth of LAWACO's clean water supplied revenue during the year.

The wastewater treatment segment continued to be effectively implemented by the Company during the year, resulting in a wastewater collection and treatment system with an average monthly flow of 9,210 m³/day and night, and a total treated wastewater volume in 2024 of 3,370,834 m³, reaching 101.15% of the annual plan (3,332,450 m³). Wastewater treatment revenue reached 19,315 million VND, accounting for 6.04% of total net revenue.

The construction and installation of water supply systems contributed 2.44% to the total net revenue, reaching 7,809 million VND, with main services including designing water supply and sewerage works for LAWACO's business and production customers, and connecting water supply and sewerage services for individual customers.

Overall, all three main business segments of LAWACO achieved positive results in 2024, in which clean water business continued to play a dominant role, the wastewater treatment segment operated effectively, and the construction and installation of water supply systems contributed significantly to revenue. This is an important foundation for the Company to maintain its growth momentum and sustainable development in the coming years.

2. Organization and Personnel

2.1 List of the Board of Management

No.	Member	Position	Number of personally owned shares	Number of shares owned by representative (*)	Ownership Percentage (%)
1	Mr. Nguyen Hung Cuong	Member of Board of Directors – General Director	-	22,059,047	27.99
2	Mr. Nguyen Van Dung	Member of Board of Directors – Deputy General Director	3,600	9,453,877	12.00
3	Mr. Bui Hoang Truong Vi	Chief Accountant	1,300	-	0.00

(*): Based on the list of shareholders as of Date: March 5, 2024

2.2 Board of Management's Background Information

Mr. Nguyen Hung Cuong – Member of Board of Directors and General Director

Date of Birth: November 25, 1966

Nationality: Vietnamese.

Qualification: Construction Engineer.

Current Position in other organizations: None.

Number of shares held at present:

- Personal: None
- Number of shares representing ownership: representing State Capital Investment Corporation (SCIC): 22,059,047 shares (accounting for 27.99% of charter capital)

Work Experience

Time	Position - Workplace
Sept 1987 – May 1989	Technician at Lam Dong Traffic Construction Enterprise.
May 1989 – 1998	Worker at Da Lat Water Workshop - Lam Dong Water Supply and Sewerage One Member Limited Liability Company
1998 – Sept 2004	Technician of the Electromechanical Team - Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Sept 2004 – April 2006	Deputy Head of the Capital Construction Team, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
April 2006 – Oct 2007	Head of the Capital Construction Team, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Oct 2007 – Feb 2009	Director and Secretary of the Party Cell of the Construction and Installation Enterprise, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Feb 2009 – Jul 2009	Deputy Director of Da Lat Water Plant - Lam Dong Water Supply and Sewerage One Member Limited Liability Company.

Time	Position - Workplace
Jul 2009 – Oct 2011-	Director and Secretary of the Party Cell of the Construction and Installation Enterprise, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Oct 2011 – Sept 2012	Specialist of the Construction Management Department, Lam Dong Department of Construction.
Sept 2012 – Sept 2017	Deputy Head of the Investment and Technical Infrastructure Development Department - Lam Dong Department of Construction.
Sept 2017 – Jun 2018	Deputy Director of Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Jun 2018 – Aug 2020	Deputy General Director and Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company.
Sept 2020 – present	General Director of Lam Dong Water Supply and Sewerage Joint Stock Company.

Mr. Nguyen Van Dung – Member of Board of Directors and Deputy General Director

Date of birth: June 2, 1968.

Nationality: Vietnam.

Qualification: Bachelor of Accounting.

Current Position at other organization: None.

Number of shares held at present:

- Personal: 3,600 shares, accounting for 0.00% of charter capital.
- Number of shares represented: representing State Capital Investment Corporation (SCIC): 9,453,877 shares (accounting for 12.00% of charter capital)

Work experience

Time	Position - Workplace
1990	Staff of Lam Dong Statistical Office

1991 – 1994	Staff of the Accounting Department, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
1995 – 2008	Deputy Head of Accounting Department, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
2009 – May 2018	Chief Accountant of Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Jun 2018 – present	Deputy General Director of Lam Dong Water Supply and Sewerage Joint Stock Company.
28th April, 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, accounting for 0.00% of charter capital.

Work experience

Time	Position - Workplace
Mar 2004 – Oct 2007	Staff of the Finance and Accounting Department, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Nov 2007 – Dec 2011	Staff of the Quality Management Department, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.
Jan 2012 – Jun 2018	Staff of the Finance and Accounting Department, Lam Dong Water Supply and Sewerage One Member Limited Liability Company.

Time	Position - Workplace
Jun 2018 – May 2023	Acting Chief Accountant of Lam Dong Water Supply and Sewerage Joint Stock Company.
27th May, 2023 – present	Chief Accountant of Lam Dong Water Supply and Sewerage Joint Stock Company.

Changes in the Board of Management in 2024: None.

Number of Cadres and Employees

No.	Criteria	Year 2024		Year 2023	
		Quantity (people)	Proportion (%)	Quantity (people)	Proportion (%)
I	By labor level	369	100.00	366	100.00
1	By University Degree	146	39.57	137	37.43
2	College, professional secondary level	58	15.72	58	15.85
3	Elementary and technical workers	165	44.71	171	46.72
II	By gender	369	100.00	366	100.00
1	Male	268	72.7	266	72.68
2	Female	101	23.3	100	27.32
III	By labor contract term	369	100.00	366	100.00
1	Fixed-term contract from 1 to 3 years	23	6.24	23	6.29

No.	Criteria	Year 2024		Year 2023	
		Quantity (people)	Proportion (%)	Quantity (people)	Proportion (%)
2	Indefinite-term contract	346	93.76	343	93.71
Total		369	100.00	366	100.00

Average income

Indicator	Year 2023	Year 2024
Total number of employees (people)	366	369
Average income (VND/person/month)	14,801,000	16,465,000

2.3 Human Resources Policy

Regarding Recruitment:

Building a professional human resources policy is the key foundation for the Company's management apparatus to operate effectively, ensuring all activities are in line with the long-term development strategy.

Recognizing the role of people in the success of the business, LAWACO not only focuses on expanding and optimizing the production and business model but also pays special attention to building a system for recruiting, training, and developing high-quality human resources.

The Company always aims to attract and retain talent, while creating a professional and creative working environment for employees to have the opportunity to develop skills, improve capacity, and contribute maximally to the overall development of the enterprise. In addition, internal training programs and periodic performance evaluations are also promoted by LAWACO to improve the team's professional qualifications, management skills, and teamwork spirit. These policies not only help LAWACO build a strong and cohesive collective but also prepare a workforce ready to face all challenges in the future, contributing to the sustainable development of the Company.

Regarding training:

Training and fostering human resources plays a key role in the Company's comprehensive human resource development strategy. Understanding that people are the core factor determining the success of the business, the Company has constantly innovated management institutions and built a professional and creative working environment to unleash the potential of each individual.

With the goal of improving professional capacity and professional skills, the Company has implemented various training programs, from short-term, medium-term to long-term, suitable for each position and job requirements. In the past year, a series of courses have been organized, such as advanced skills training to upgrade the level of technical workers, training on occupational safety and hygiene and first aid to ensure the health and safety of employees, as well as specialized courses on chemical safety specifically for the operation and laboratory teams. In particular, the Company also focuses on applying digital technology in training, such as using online learning platforms and virtual reality simulations, helping employees access knowledge more flexibly and effectively.

These efforts not only contribute to improving the quality of human resources but also affirm the Company's commitment to building a strong team, ready to meet all future development requirements.

The Company's training motto is hands-on guidance, transferring knowledge to new employees through learning by doing under the guidance of experienced professionals.

Regarding salary and bonuses:

The Company builds a flexible and attractive remuneration policy to create strong motivation for its employees.

Accordingly, salaries are adjusted to increase annually based on work performance, professional competence, and each individual's specific contribution to the overall development of the Company.

The Company also applies performance-based bonus programs and promotion considerations based on fair and transparent evaluation results. These policies not only help improve the income and lives of employees but also encourage creativity and dedication, thereby creating a united, enthusiastic team that is always ready to overcome all challenges to excellently complete assigned tasks.

The Company's reward policy creates fairness in benefits for highly specialized employees and new employees by having a salary and bonus policy for individuals and groups with good achievements, rewarding based on work results to encourage employees to constantly strive to improve performance.

Regarding welfare and benefits:

Employee welfare benefits are benefit policies besides salary and bonuses. The purpose of the welfare regime is to provide necessary amenities to ensure the comfort and convenience of employees, thereby encouraging employee morale and increasing productivity.

The Company implemented the following policy activities in 2024:

- Issued health insurance cards, insurance books when cards are lost, information changes, or changes in medical examination and treatment locations...; Signed human insurance contracts for 363 employees with a total amount of: 50,968,000 VND.
- Proposed visits to employees, changes in information, or changes in medical examination and treatment locations for relatives of 62 cases and retired employees of the Company.
- Distributed Lunar New Year gifts to employees and retired employees of the Company.
- Increased indirect salary levels for 10 indirect labor cases in the first phase of 2024; Changed salary scales and tables for 01 employee in the first phase of 2024.
- Decision to increase salary levels for 48 direct laborers in 2024 according to Decisions No. 32, 33 dated 9th October, 2024.
- Decision to increase salary levels for 11 indirect laborers in the second phase of 2024 according to Decision No. 47 dated 3rd December, 2024.
- Organized periodic health check-ups and occupational disease examinations in 2024 for Company employees over 03 days (22nd May, 2024 – 24th May, 2024).
- Organized recreational tours for employees in 2024, divided into 2 phases.
- Organized skills training and testing for employees in 2024.

These events are organized annually by the Company to encourage and motivate employees to increase productivity and contribute actively to the progress of work completion, creating favorable conditions for employees to have more motivation and dedication to their assigned tasks.

2.4 Investment and project implementation status

Construction items implemented in 2024:

No.	Unit/Item	Settlement Value
1	Installation of HDPE D125 CN pipeline, QL20, Mimosa Pass, Ward 10, Da Lat City	5,621 billion VND
2	Supply and installation of steel water treatment cluster processing equipment (capacity 3,000 m ³ /day and night) - Dinh Van WTP, Dinh Van Town, Lam Ha District, Lam Dong Province	3,999 billion VND
3	Installation of HDPE D180 water supply pipeline. QL20 Xuan Truong Commune to Hanh Station (KM 254+226 to Km 258 + 080), Da Lat City	3,838 billion VND
4	Installation of HDPE D250 water supply pipeline, Mai Anh Dao Street (from Da Thien WTP to Mong Mo Reservoir), Ward 8, Da Lat City	1,866 billion VND
5	Purchase of 3.5-ton truck with self-propelled crane	1,450 billion VND
6	Installation of HDPE D160mm raw water pipeline (gravity flow). Dam Ri WTP - Da Hoai WTP, Lam Dong Province	1,254 billion VND
7	Replacement of motor for clean water pump No. 5 - Level 2 TB - Dan Kia WTP, Lat Commune, Lac Duong District	902,36 million VND
8	Installation of HDPE D225 water supply pipeline & replacement of level 1,2 pumps, Da Thien WTP, Mai Anh Dao Street, Ward 8, Da Lat City	554,3 million VND
9	Repair and replace DMA unit of Da Lat City water supply network	426,5 million VND
10	Replacement of DMA meter cluster in Da Lat City	375,57 million VND
11	Install water tank for firefighting at the Company. No. 50 Hung Vuong, Ward 9, Da Lat City	314,2 million VND

2.5 Financial situation of joint ventures and associates

As of 31st December 2024, the Company no longer has any investments in joint ventures or associates.

3. Financial situation

Financial situation

No.	Indicator	Unit	FY 2024	FY 2023	% FY 2024 /FY 2023
1	Total assets	Million VND	1,197,826	1,176,497	101.81%
2	Total revenue	Million VND	389,627	354,386	109.95%
3	Operating profit	Million VND	125,214	98,579	127.02%
4	Accounting Profit before tax	Million VND	124,672	98,884	126.08%
5	Net Profit after corporate income tax	Million VND	99,702	79,056	126.12%

Major financial indicators

Indicator	Unit	2024	2023	2022
Solvency ratios				
Current ratio	Times	1.34	10.90	9.96
Quick ratio	Times	1.23	10.76	9.85
Capital structure ratios				
Debt/Total assets ratio	%	19.13	20.76	23.17
Debt/Owner's Equity ratio	%	23.65	26.20	30.16
Operation capability Ratio				
Inventory turnover	Times	29.18	29.15	26.57
Total asset turnover	Times	0.27	0.25	0.21
Profitability ratios				

Indicator	Unit	2024	2023	2022
Profit after tax/ Net revenue Ratio	%	31.19	26.61	20.42
Return on equity (ROE)	%	10.49	8.62	5.47
Return on assets (ROA)	100%	8.40	6.73	4.30
Operating Profit Margin/Net Revenue	100%	39.17	33.19	25.74

Solvency Ratios

2024 witnessed significant fluctuations in both the current ratio and the quick ratio of LDW. Specifically, the current ratio decreased sharply from 10.90 times to 1.34 times, and the quick ratio also decreased from 10.76 times to 1.23 times compared to the previous year. Despite the significant decline in liquidity ratios, LDW's solvency ratios remain at a safe level, indicating the ability to meet short-term debt obligations.

The main reason for this decline does not stem from unusual fluctuations in provisions or the payment of payables. Instead, the reason lies in the change in the recognition of short-term financial investments. At the beginning of 2024, the value of short-term financial investments was 555,000 million VND. However, by the end of the year, this figure had dropped sharply to only 13,839 million VND. This difference, equivalent to 541,161 million VND, has been transferred to long-term financial investments, specifically increasing from 63,345 million VND to 653,220 million VND, equivalent to an increase of 589,875 million VND. LDW assesses that the rate of return on this long-term investment is more attractive than short-term investments. At the same time, the Company still ensures short-term payment ability. Therefore, the change in the nature of the investment is considered appropriate to LDW's financial situation and capital management objectives.

Overall, the decline in LDW's current and quick ratios in 2024 is mainly due to the change in investment strategy, from short-term to long-term, to optimize profits.

Overall, LDW maintains a current ratio greater than 1, ensuring that the Company has sufficient current assets to pay off short-term debts when due. Meanwhile, the quick ratio is almost equal to the current ratio, reflecting the high proportion of highly liquid assets such as cash, receivables, and short-term investments. This demonstrates that the Company is effectively managing working capital, maintaining a stable cash flow to meet financial obligations without putting significant pressure on business operations. This result not only affirms the soundness of the financial structure but also creates a solid foundation for the Company to continue sustainable development in the future.

Capital Structure Ratios

LAWACO's payables recorded a slight decrease compared to the beginning of the period, recording 229,116 million VND, a decrease of 15,128 million VND. Considering the structure of payables, the ratio between current liabilities and long-term liabilities is 3:7. Specifically, as of December 31, 2024, LDW's current liabilities, the portion of short-term loans and obligation under finance leases accounted for a large proportion, with 33.95% of current liabilities, unchanged from the beginning of the period; this is a loan from World Bank, financing two water supply projects in Lam Dong and Da Lat. Considering LDW's long-term liabilities, with a balance of 161,987 million VND, the main proportion is long-term loans and obligation under finance leases, which is also a loan from World Bank, financing two water supply projects in Lam Dong and Da Lat with a value at the end of 2024 of 161,481 million VND, a decrease of 22,794 million VND, equivalent to a decrease of 12.37% compared to the beginning of 2024. This is the main reason for the decrease in LDW's liabilities.

LDW's total assets remained stable at 1,197,826 million VND at the end of 2024, with the largest proportions being fixed assets and long-term financial investments. Fixed assets were valued at 436,786 million VND as of December 31, 2024. During the year, the company increased its purchase of tangible fixed assets and completed construction by 30,328 million VND (at original cost) for maintenance, repair, and installation of the company's projects. However, LDW did not use debt to finance these investment purchases; the capital mainly came from owner's equity.

Owner's equity continued to grow, driven by the company's positive business results. The strong increase in retained earning in current year contributed to supplementing financial resources and positively impacted capital structure indicators. Specifically, retained earnings accumulated to prior year end increased by 20,646 million VND, reaching 99,702 million VND, and the investment and development fund increased by 15,811 million VND, reaching 22,108 million VND within the owner's equity structure as of December 31, 2024.

Overall, the company's financial situation has been stable recently, with both liabilities and total assets maintained at reasonable levels, reflecting effective financial management and a cautious development strategy. The debt-to-total-assets ratio remained relatively stable, consistent with the company's sustainable operating model. Strict control of debt usage not only minimizes financial risks but also strengthens confidence among shareholders and partners. This provides a solid foundation for the company to expand its operations, improve business efficiency in the future, and ensure long-term liquidity and financial security.

Operating capacity Ratios

The inventory of water supply and sewerage companies has unique characteristics, reflecting the specific nature of the industry's operations. These are essential materials for disinfection and water filtration processes, ensuring clean water for consumers. Furthermore, tools and equipment for maintenance and repair of the company's systems, works, and pipelines are also essential.

Notably, the cost of goods sold for water supply companies often approaches net revenue. This inevitably leads to a very high inventory turnover rate for the industry, and LAWACO is no exception. As evidence, in 2024, LAWACO's inventory turnover reached 29.18 times, slightly increasing compared to the same period in 2023.

Regarding the total asset turnover ratio, as there were no significant investments during the year, this ratio did not change much compared to the same period, increasing from 0.25 to 0.27. The increase in the average water price, along with customer demand, drove revenue growth, also contributing positively to the total asset turnover ratio.

Profitability Ratios

2024 witnessed LAWACO's strong breakthrough in profitability, with all profitability indicators recording impressive growth compared to 2023. Specifically, the ROS ratio reached 31.19%, up 4.58%; ROE reached 10.49%, up 1.87%; ROA reached 8.40%, up 1.67%; and the operating profit margin on net revenue reached 39.17%, up 5.98%.

The continuous growth streak over the past three years clearly demonstrates LAWACO's positive operational efficiency. Not only has the company improved profitability, but it has also demonstrated excellence in efficient asset and capital utilization.

This growth momentum stems from several factors. Firstly, the average water price in 2024 increased by 584 VND/m³ compared to 2023, reaching 13,302 VND/m³. Secondly, market expansion with 3,727 customer households, an increase of 88 households compared to the same period, along with increasing water demand, has driven production and recorded water output up by 3.29% and 3.36%, respectively. Notably, continuous efforts in controlling and reducing water loss rate percentage have yielded practical results, significantly contributing to increased revenue.

With a solid business strategy focused on cost control and optimizing water production and supply processes, LAWACO has been creating sustainable value for its shareholders while affirming its competitive position in the market.

4. Shareholder structure, changes in the owner's equity

4.1 Shares

Share name: Shares of Lam Dong Water Supply and Sewerage Joint Stock Company

Stock code: LDW

Total issued shares: 78,800,000 shares, of which

- Number of outstanding shares: 78,800,000 shares
- Number of treasury shares: 0 shares

Share type: Common shares

Par value: 10,000 VND/share

4.2 List of major shareholders

No.	Shareholder Name	Shareholder Classification		Number of Shares Held	Percentage of Shares Held
		State Shareholder	Major shareholders		
1	State Capital Investment Corporation (SCIC)	x	x	31,512,924	39.99%
2	Thuy Anh Water Supply Sewerage Joint Stock Company		x	12,502,601	15.87%
3	Golden Stream Joint Stock Company		x	9,000,000	11.42%
4	Mesa Asia Pacific Trading Services Company Limited		x	10,735,182	13.62%
5	Truong Thi My An		x	13,975,893	17.74%
6	Other shareholders			1,073,400	1.36%
Total				78,800,000	100.00%

Based on the list of shareholders as of March 5, 2024

4.3 Shareholder structure

No.	Shareholder Type	Quantity	Number of Shares	Value	Ownership Percentage
I	State Shareholder	1	31,512,924	315,129,240,000	39.99%
II	Domestic Shareholder	4	46,213,676	462,136,760,000	58.65%
1	Domestic	4	46,213,676	462,136,760,000	58.65%
-	Organization	3	32,237,783	322,377,830,000	40.91%
-	Individual	1	13,975,893	139,758,930,000	17.74%
2	Foreign	-	-	-	-
III	Other Shareholders	412	1,073,400	10,734,000,000	1.36%
1	Domestic	412	1,073,400	10,734,000,000	1.36%
2	Foreign	-	-	-	-
Total (I + II + III)		417	78,800,000	788,000,000,000	100.00%

Based on the list of shareholders as of March 5, 2024

4.4 Changes in the owner's equity

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

4.5 Treasury stock transactions

None

4.6 Other securities

None

5. Environment-Social-Governance (ESG) Report of the Company

“In 2024, besides focusing on promoting effective production and business activities, the Company continues to affirm its strong commitment to fulfilling its social and environmental responsibilities, towards the goal of sustainable development. We constantly strive to build a reputable and professional brand, trusted and chosen by customers and the community.”

5.1 Raw material resource management

As a unit operating in the field of clean water exploitation and production, LAWACO mainly relies on raw water sources from underground wells and surface water sources such as rivers and streams for production. However, the exploitation of this input material is greatly affected by natural conditions, which are potentially unpredictable. During the dry season, groundwater and surface water levels often drop significantly, putting pressure on the ability to meet water demand. Meanwhile, the rainy and flood season brings other challenges, such as increased impurities, mud, and pollution in raw water sources, requiring more complex and costly treatment processes.

Faced with this situation, the Company constantly researches and applies modern technological solutions to optimize the exploitation and treatment process, while developing a reasonable water reserve plan to ensure a stable year-round supply, regardless of harsh weather conditions.

Strict monitoring and management of input materials not only helps the Company save production costs and improve business efficiency but also demonstrates environmental responsibility in the operating area. LDW has implemented regular monitoring of both the flow and quality of water sources, while promptly coordinating with relevant authorities to propose solutions to protect and maintain the sustainability of this precious resource.

In addition, the Company is currently using chemicals such as alum, chlorine, and soda for water treatment. Adjusting the appropriate chemical usage ratios, depending on the purpose of use for domestic water or production, is also implemented by LDW to avoid potential environmental risks.

5.2 Energy Consumption

Efficient energy use is not only a key factor in optimizing operating costs but also demonstrates the company's responsibility in minimizing environmental impact and promoting sustainable development.

Currently, LDW mainly uses electricity and petroleum fuels to operate production machinery, water treatment equipment, pumps, as well as to ensure lighting in the factory and office. To improve energy efficiency, the Company is actively applying advanced saving solutions, such as installing energy-saving LED lighting systems, optimizing machinery operation processes to reduce energy consumption, and researching the conversion to renewable energy sources such as solar energy. The Company has established limits for the consumption of various types of energy for machinery, reduced consumption in unnecessary stages, replaced outdated machinery with modern and energy-saving equipment. In addition, the Company also promotes the idea of energy saving to employees

to improve the efficiency of energy use, contributing to environmental protection and natural resources.

These efforts not only help reduce costs but also contribute to building the image of an environmentally friendly business, ready to adapt to the global trend of clean energy.

5.3 Water Consumption

As a pioneer in the field of clean water exploitation, treatment, and supply in Lam Dong province, LDW deeply understands the importance of water resources – not only for business operations and meeting customers' essential needs but also for the sustainable development of the community and society as a whole.

LAWACO strengthens the inspection and monitoring of the water distribution pipeline system in the area to promptly detect and handle incidents such as leaks and pipe bursts – the main causes of clean water loss.

LDW actively implements extensive communication campaigns to each household. Through these activities, the Company not only encourages people to use water economically, efficiently, and for the right purposes but also raises community awareness about the importance of protecting water resources. At the same time, LDW closely coordinates with relevant authorities to disseminate regulations on resources and the environment, aiming to build a responsible community, joining hands to preserve water resources for the present and the future.

5.4 Compliance with Environmental Protection Laws

Compliance with laws and regulations on environmental protection is always one of the Company's top priorities. To ensure transparency and sustainability in water resource exploitation activities, the Company has proactively coordinated closely with relevant authorities to determine groundwater reserves and adjust exploitation permits for wells when necessary.

Annually, each plant prepares a detailed report on water resource exploitation and utilization, ensuring strict adherence to legal requirements. In addition, the Company regularly conducts inspections, monitors, and updates water quality management records periodically to maintain operational efficiency and environmental protection. To date, all clean water production plants under the Company have been granted water resource exploitation and utilization permits by the Lam Dong Provincial People's Committee, affirming the company's strong commitment to sustainable development in harmony with nature.

Additionally, the Company continues to monitor water exploitation in accordance with Circular No. 17/2021/TT-BTNMT dated 14th October, 2021 of the Minister of Natural Resources and Environment, while periodically updating data into the Department of Natural Resources and Environment's management system regarding the installation of automatic monitoring equipment for groundwater exploitation stations. These efforts not only ensure compliance with legal regulations but also contribute to the protection and efficient use of water resources in the long term.

5.5 Report related to local community responsibility

LAWACO always prioritizes social responsibility, not only by providing quality-assured clean water to every household but also by actively participating in community activities. With the goal of sustainable development, the Company is also committed to minimizing environmental impact by applying green technology, saving energy, and optimizing production processes.

In the field of job creation, LAWACO has brought stable employment opportunities to hundreds of local workers, contributing to solving unemployment and sustainable poverty reduction. Not only stopping at creating jobs, the Company also pays special attention to improving the quality of life for employees through comprehensive welfare policies and a professional working environment. With competitive income levels, LAWACO regularly organizes skills training programs, improves skills, and provides specialized training to help employees develop themselves and confidently seize career advancement opportunities. These efforts not only build a cohesive and enthusiastic workforce but also affirm LAWACO's role as a responsible business to the community and society.

The Company regularly collaborates with local authorities and non-profit organizations to implement programs supporting people in difficult areas to access clean water, especially during dry seasons or natural disasters. Besides, LAWACO focuses on investing in education and raising community awareness about the importance of water resource protection through communication campaigns. In addition, LAWACO also focuses on environmental protection and social security. The Company has implemented many programs to plant trees, protect forests, and maintain clean air for Da Lat City.

Environmental permits:

- Ho Than Tho Water Plant has been granted environmental permit No. 27/GPMT-UBND dated 14th March, 2023.
- Application for an environmental permit for Phat Chi Water Plant: has been appraised, the Company has completed the dossier according to Official Letter

No. 6718/UBND-MT dated 5th October, 2023 of Da Lat City People's Committee and resubmitted the dossier.

- Environmental impact assessment dossier for Da Thien Water Plant: has been approved under Decision No. 2228/QĐ-UBND dated 10th November, 2023 of Lam Dong Provincial People's Committee.

Water exploitation license:

- Obtained an adjusted license, increasing the exploitation capacity for Da Thien Water Plant to 4,000 m³/day and night and Dankia Water Plant to 30,000 m³/day and night.
- Completed and received the Decision approving the exploitation right grant for Than Tho Water Plant and Phat Chi Water Plant.
- Completed the application for a new exploratory drilling permit in Thanh My, Don Duong.
- Coordinating with consultants to prepare an application for exploitation of a new well in Thanh My, Don Duong.

5.6 Policies related to employees

Number of employees, average salary

Current number of employees: 369 people.

Average salary: 12,200,000 VND/person/month.

Labor policies to ensure the health, safety, and welfare of employees

LAWACO always focuses on labor policies to ensure the health, safety, and welfare of employees, creating the best working conditions and improving the quality of life for its staff and workers.

✓ Insurance and Social Welfare Policies:

- Issuing health insurance cards, insurance books in case of card loss, information changes, or changes in medical examination and treatment locations, etc.;
- Signed insurance contracts for 363 employees with a total amount of: 50,968,000 VND.
- In 2024, the Company paid insurance for employees with a total amount of:
 - Social insurance: 8,645,019,655 VND.
 - Health insurance: 1,556,103,649 VND.

- Unemployment insurance: 691,601,570 VND.
 - Occupational accident - Occupational disease insurance: 172,900,509 VND.
- ✓ Employee Care and Support Policy
 - Proposed visits to employees, relatives of employees for 62 cases and retired employees of the Company.
 - Prepared and distributed Tet Giap Thin gifts to employees and retired employees of the Company.
 - ✓ Salary and Remuneration Policy
 - Upgraded indirect salary levels for indirect laborers in the first phase of 2024: 10 cases; Transferred salary scales for employees in the first phase of 2024: 01 case.
 - Decision to increase salary levels for 48 direct laborers in 2024 according to Decision No. 32, 33 dated 9th October, 2024.
 - Decision to increase salary levels for 11 indirect laborers in the second phase of 2024 according to Decision No. 47 dated 3rd December, 2024.
 - ✓ Healthcare and Skills Training
 - Organized periodic health check-ups and occupational disease examinations in 2024 for the Company's employees within 3 days (22nd May, 2024 – 24th May, 2024).
 - Organized recreational tours for employees in 2024, divided into 2 phases.
 - Organized vocational training and examinations for employees in 2024.
 - Issued emulation criteria for 2024.
 - Proposed amendments and issuance of the 2024 Collective Labor Agreement.

Employee training activities

Personnel training is an activity that LAWACO focuses on developing, especially in the context of a constantly evolving labor market based on sustainable factors, knowledge, and skills must be improved to meet labor capacity requirements. The Company always strives to improve policies and create conditions for employees to enhance their quality of life.

5.7 Report on green capital market activities under the guidance of the State Securities Commission (SSC)

Currently, the Company has not engaged in any green capital market activities. However, LDW is closely monitoring information on this activity and will actively participate when there is specific guidance from the State Securities Commission.

III. Assessment report of the Board of Directors

1. Evaluation of production and business performance results

1.1 Overview analysis of the Company's operations

No.	Indicator	Unit	Plan 2024	Actual 2024	Actual vs. Plan Percentage	Actual 2023 (Same Period)	Actual 2024/2023 Percentage
1	Water production	1,000m3	26,489	26,691	100.76	25,840	103.29
	- Company water production	1,000m3	14,079	16,329	115.98	14,927	109.39
	- Purchased Water from SG-DanKia	1,000m3	10,950	10,362	94.63	10,189	101.69
	- Purchased Water from Tuyen Lam	1,000m3	1,460	-	-	-	-
2	Recorded Consumed Water	1,000m3	21,722	21,902	100.83	21,189	103.36
3	Water loss rate Percentage	%	18	17.94	99.67	18	99.64
4	Customer Household Development	households	3,000	3,727	124.23	3,639	102.42
5	Total Revenue	Million VND	355,303	389,627	109.66	354,386	109.94
5.1	Revenue from goods sold and services rendered	Million VND	311,264	319,686	102.71	297,054	107.62

No.	Indicator	Unit	Plan 2024	Actual 2024	Actual vs. Plan Percentage	Actual 2023 (Same Period)	Actual 2024/2023 Percentage
	- Clean water supplied	Million VND	282,955	291,335	102.96	269,480	108.11
	- Construction and Installation of Water Supply System	Million VND	8,355	7,809	93.46	8,113	96.26
	- Wastewater Treatment	Million VND	18,877	19,315	102.32	18,416	104.88
	- Other	Million VND	1,076	1,227	114.02	1,045	117.40
5.2	Financial income	Million VND	42,155	69,321	164.44	55,467	124.98
5.3	other income	Million VND	1,884	619	32.86	1,865	33.19
6	Average Water Selling Price	VND/m3	13,026	13,302	102.12	12,718	104.59
7	Total Employees	People		369		366	100.82
8	Average Salary	Million VND		12,2		11,3	107.96
9	Accounting Profit Before Tax	Million VND	85,722	124,672	145.43	98,883	126.08
10	Net Profit After Corporate Tax	Million VND		99,702	-	79,056	126.12

* Note:

- *Water production revenue and average water selling price are calculated before tax.*

In 2024, the Company successfully completed the production and business tasks and plans as set out in the Resolution of the General Meeting of Shareholders. With net profit before tax reaching 124,672 million VND, exceeding the plan by 45.43%. This is a worthy result of the efforts of all employees and the Company's Board of Directors.

Supported by the increase in the average water selling price during the period, with 13,302 VND/m³, which was 584 VND/m³ higher compared to 2023. And the increasing demand for water use in the area contributed to higher revenue. Along with that, the Company continued to record growth in financial income, reaching 69,321 million VND, respectively, an increase of 24.98% over the same period, while financial expenses remained unchanged, contributing to a high increase in net profit from business activities.

Through the business results in 2024, the Board of Directors assesses the favorable and difficult impacts to develop appropriate strategies for each period to achieve the profit target set by the General Meeting of Shareholders.

1.2 Advantages

The Company's operational management has become more proactive, the role of the Board of Directors and the Company's Executive Board has been effective and dynamic in carrying out production and business tasks.

Water production units, network operation, and pipeline repair are allocated sufficient human resources and equipment. Therefore, handling situations promptly and without interrupting the city's water supply;

Water quality is always ensured in accordance with current state regulations, preventing epidemics or pollution through water sources;

Through coordination between customers and the Company, areas with weak or no water supply have been promptly informed, customers proactively store water, so interruptions in water supply have been overcome;

Water supply zoning (prioritizing water supply to central and important areas) has been communicated and customers have been instructed to proactively store water at night for use during peak hours;

Regarding incidents on the water supply network: There were no major ruptures, minor pipe incidents were quickly handled by the Enterprise to ensure continuous water supply.

The clean water supply for Da Lat City is gradually stabilizing, basically ensuring the clean water demand of customers in Da Lat City, especially during holidays and Tet,...

Internal solidarity, promotion of democracy, transparency, and the efforts of all employees are also advantageous for the Company's production, business, and other activities to achieve good results. Besides, a team of competent and experienced employees is a core value that gives the Company a great advantage in developing and implementing long-term strategies.

1.3 Difficulties

The company currently manages water plants across districts, with a wide and dispersed management area, but the scale and economic efficiency of the plants in each district are not high.

Despite special attention to water production and operation, water shortages still occur during holidays and Tet due to the following reasons:

- The 2024 Tet holiday was long, and the number of tourists to Da Lat increased significantly (>300,000 visitors), leading to an increase in water consumption (about 8%) compared to the same period, with a 15% increase on peak days.
- After Tet, tourists continued to visit Da Lat in large numbers on weekends (average >20,000 visitors per day), while many disadvantaged areas had not yet been able to compensate for the water shortage, leading to further water shortages on weekends.

In recent years, many residential areas have developed strongly, especially high areas with beautiful views, having the same or higher elevation than the regulating water tanks, causing difficulties in network management.

The water supply pipeline network in Da Lat City (including transmission, distribution, and service pipelines) has been invested in for many years; currently, some pipelines are overloaded, congested, and have not been renovated and upgraded in time with the pace of residential development, leading to local water supply interruptions in some high and remote locations.

Many traffic routes in Da Lat City and districts have been renovated and upgraded, causing pipe bursts in the water supply system, affecting the efforts to reduce water loss rates of the units.

Water sources are highly dependent on natural conditions, so incidents often occur:

- Water supply stations often experience water shortages during the dry season: D'ran Water Supply Station - Don Duong District, Da M'ri Water Supply Station - Da Huoai District.
- The groundwater reserves of the wells at Bao Lam Water Plant have gradually depleted, and water shortages have occurred (at well number 3, operations ceased on 6th March ,2024 due to depleted water sources, the remaining wells are still operating continuously 24/7 but still cannot ensure water supply for people in high and remote areas, Bao Lam Water Plant has been supplying water on a rotating schedule according to Announcement No. 22/TB-CN9 dated 21st March, 2024 of Bao Lam Water Plant, the above reasons partly affect the production and business activities of the unit).

The implementation of water supply and sewerage system construction within the scope of traffic routes depends on the construction permits of the competent authorities, so it is very passive in implementing basic construction projects.

2. Financial situation

2.1 Asset situation

Unit: Million VND

Indicator	2024-12-31		2023-12-31		Change
	Value	Percentage	Value	Percentage	
Current Assets	89,888	7.50%	648,389	55.11%	-86.14%
Non - current Assets	1,107,938	92.50%	528,108	44.89%	+109.79%
Total Assets	1,197,826	100.00%	1,176,497	100.00%	+1.81%

The company's total assets on December 31, 2024 increased slightly compared to the same period last year, recorded at 1,197,826 million VND, an increase of 1.81%, equivalent to an increase of 21,329 million VND.

The structure of LAWACO's total assets in 2024 fluctuated significantly. As of December 31, 2023, the company's asset structure was balanced between current assets and non-current assets, with ratios of 55.11% and 44.89% of total assets, respectively. However, by December 31, 2024, the total asset structure had changed significantly, with non-current assets accounting for the majority, reaching 92.5% of total assets, the rest being short-term

assets, with a ratio of 7.5%. Specifically, current assets decreased sharply from 648,388 million VND to 89,888 million VND, a decrease of 86.14%, while non-current assets increased significantly from 528,108 million VND to 1,107,938 million VND, an increase of 109.79%.

The primary reason for the change in asset structure stems from the adjustment in the recognition of current financial investments. Specifically, as of December 31, 2023, short-term financial investments were recorded at 555,000 million VND, but by December 31, 2024, this value had decreased to 13,839 million VND. After a thorough assessment of the nature and potential of the investment, the Company decided to convert and recognize this investment in long-term financial investments, specifically the short-term financial investments converted into a long-term financial investments. As a result, long-term financial investments increased significantly from 63,345 million VND to 653,220 million VND, a corresponding increase of 589,875 million VND, as of December 31, 2024. This adjustment reflects an effective portfolio management strategy aligned with the Company's long-term orientation.

The Company's decision to convert the investment from short-term to long-term demonstrates flexibility and a financial management strategy aligned with sustainable development goals. This decision not only reflects a thorough assessment of the investment's profitability and nature but also indicates a focus on long-term value opportunities rather than short-term gains. This change helps the Company optimize capital utilization while mitigating short-term market fluctuation risks. Furthermore, the significant increase in the value of long-term financial investments affirms the Company's commitment to enhancing asset efficiency and creating a solid foundation for future growth.

2.2 Accounts Payable

Unit: Million VND

Indicator	2024-12-31		2023-12-31		Change
	Value	Percentage	Value	Percentage	
Current liabilities	67,129	29.30%	59,490	24.36%	12,84%
Long-term liabilities	161,987	70.70%	184,754	75.64%	-12,32%
Total liabilities	229,116	100.00%	244,244	100.00%	-6,19%

As of 31st December, 2024, LAWACO maintained a debt structure with a 7:3 ratio between long-term and current liabilities, where long-term liabilities accounted for 70.70%, equivalent to 161,987 million VND, and the remaining current liabilities accounted for 29.30%, equivalent to 67,129 million VND. Total liabilities as of 31st December, 2024 decreased by 6.19% compared to the same period last year, recorded at 229,116 million VND, a decrease of 15,128 million VND compared to 244,244 million VND at the end of 2023.

LAWACO's long-term liabilities primarily comes from loans of the World Bank to finance the Lam Dong Water Supply sub-project with an interest rate of 3%/year and the Da Lat Water Supply project with an interest rate of 6.75%/year. As the loan principal gradually decreases over time, the long-term liabilities situation has improved significantly, helping the Company reduce financial pressure and improve the efficiency of loan utilization.

In addition, the structure of current liabilities as of 31st December, 2024 did not fluctuate significantly, mainly due to the increase in the reward and welfare fund, which increased by 4,086 million VND, recorded at 7,767 million VND, while other accounts remained mostly unchanged compared to the beginning of the period.

The decrease in total payables and the gradual narrowing of long-term liabilities indicate that LAWACO is steadily improving its financial structure, reducing debt burden, while maintaining a reasonable debt level to serve important water supply projects, contributing to enhancing solvency and the Company's long-term financial stability.

3. Improvements in organizational structure, policies, and management

3.1 Water production management and operation

Network management and operation

Coordinate with units and factories to adjust the operation of machinery so that production capacity matches the network's water consumption. Regulate water supply on the network for customers to prevent water shortages.

The technical department coordinated with other units to review, inspect, and propose renovations to increase the supply for old and deteriorated pipelines and areas with weak water pressure. After the renovation and connection to increase the supply, areas frequently experiencing weak or no water pressure now have a full water supply that meets quality standards for customers.

Announce routes that may experience water shortages or weak water pressure during peak hours, or water outages due to road construction and renovation by other units, so customers can plan to store clean water.

For the water supply system in districts and towns, coordinate with units to find the causes of water loss and propose solutions to prevent it. In the past year, the units have basically achieved the Water loss rate percentage as planned.

SCADA System

Renovate the SCADA system of the reservoirs; relocate the electrical cabinets, fix the electromagnetic meter errors from the DMA clusters, and calibrate the meters; install and test meters and dataloggers.

Propose renovation plans for some DMAs where the 2G mobile network signal transmission system is no longer usable. Renovate the SCADA system of reservoirs.

Water Loss Prevention

The company-wide water loss rate percentage is 17.94% (0.06% lower than the 2024 plan and 0.06% lower than the same period in 2023). The entire company has processed 3,937 cases with a recorded water loss of 43,634 m³.

Currently, during peak days and hours, some areas still experience weak water pressure due to a sudden increase in demand, but no areas experience regular water outages.

Technical Management

Coordinate with member units in the maintenance and upkeep of machinery and equipment to ensure compliance with regulations to limit technical incidents. Review and replace damaged or unsuitable equipment to apply new machinery and equipment.

Construction and Information Technology

Evaluate design and cost estimate documents, bidding documents, and bid evaluation results in accordance with regulations and on time. Supervise construction projects to ensure technical requirements and occupational safety are met, and promptly prepare technical reports when problems arise during construction.

Supervise construction projects to ensure technical requirements and occupational safety are met, and promptly prepare technical reports when problems arise during construction.

Monitor and troubleshoot the software currently operated by the company; maintain, repair, and replace information technology equipment.

3.2 Service Quality Management

Carry out meter reading according to the route schedule, ensuring accurate and complete recording, and promptly reflecting any unusual signs on the system.

Receive information through various channels such as Zalo, one-stop service, and the Regulation Inspection Team, and quickly transfer it to relevant units for timely handling.

Continue to introduce to customers cashless payment methods for water bills. Programs for managing and using electronic invoices, meter reading software, and expanding non-traditional payment channels, etc., have an impact on control effectiveness and improve business management efficiency.

3.3 Water Product Quality Management

In production, the plants always prioritize quality, adhering to the finished water quality inspection procedures according to the company's and the Ministry of Health's regulations. Raw materials in production are used rationally and without waste. Conduct periodic and ad-hoc analysis of supplied water and wastewater samples according to the approved plan.

Water quality parameter test results during the reporting period are stored at the Company's Laboratory, including the following samples:

Water supply sample analysis:

- Group A parameter analysis: 905 samples
- Group B parameter analysis: 157 samples
- Periodic analysis of raw water samples from plants: 222 samples. And ad-hoc samples when there are water quality abnormalities.

Wastewater sample analysis at the Wastewater Management Plant: 3,433 samples.

Wastewater sample analysis at Lam Dong General Hospital: 486 samples.

3.4 Personnel organization and management

As of December 31, 2024, the Company's total workforce is 369 employees, including 268 males and 101 females, of which:

In 2024, there were 14 new contracts signed, 22 renewed contracts; fixed-term labor contracts: 23 cases, indefinite-term labor contracts: 347 cases.

Retirement, reaching retirement age: 6 cases: 4 cases of employees resigning; 01 case of employee death.

Decisions on personnel transfer: 7 cases. Decisions on personnel appointment: 02 cases

3.5 Wastewater treatment

Performing periodic cleaning of phase I and phase II treatment tanks... trash screens, pump sumps, pumping stations; unclogging sludge discharge pipes; unclogging pipes when blocked; operating 14 lifting stations and 1 main pumping station; conducting periodic

cleaning of trash screens, pump sumps, and pumping stations; inspecting, maintaining, and repairing pumps, machinery, and equipment with unexpected breakdowns and according to plan

Results of the wastewater collection and treatment system with an average monthly flow: 9,210 m³/day and night, and the total amount of wastewater treated in 2024: 3,370,834 m³, reaching 101.15% compared to the annual plan (3,332,450 m³).

Completed financial settlement for wastewater treatment system operation in quarter 1, quarter 2, and quarter 3/2024, and is completing the settlement documents for quarter 4/2024.

In 2024, continue to implement the O&M contract with Da Lat Center for Investment Management and Operation of Irrigation Works.

Carry out the treatment of septic tank sludge from septic tank trucks, operate pumping stations for hospitals and slaughterhouses, to contribute to environmental protection of the City and increase income for the Company.

3.6 Meter management

Conduct periodic and unscheduled inspections of cold water meters with diameters equal to or less than 50mm. N64 seals are issued by the Directorate for Standards, Metrology and Quality as per current regulations. Periodic inspection, requested by the Company: 20,020 units, reaching 110.27% compared to the plan: 18,156 meters.

Unscheduled work:

- Relocation upon request: 02 units;
- On-site repair (free of charge): 1,360 units;
- Meter compensation: 79 units;
- Inspection requested by customers: 153 units;
- Management seals: 448 units.

Determine appropriate meter standards for each plant and each customer on the system to develop a plan to propose to the Company for appropriate equipment.

Manage, maintain, and operate the DMA system in Da Lat City.

3.7 Work at the Water Supply and Sewerage Construction Enterprise

Water supply network repair, rupture incident resolution, and loss prevention:

Promptly repair all pipe bursts and underground leaks. The time to fix pipe bursts and construct water supply and sewerage systems must comply with the design and regulations of the Company.

Total repairs and uncloggings: 3,432 cases, including: water supply pipe repairs: 2,924 cases, sewerage: 508 cases. Prepared 1,635 repair cost estimates according to the Company's procedures. Water loss: 8,453 m³.

Total number of water disconnections approved as proposed by the Technical Quality Control Team: 210 households.

Construction cost estimates ("CT") for customer branch pipes:

Cost estimates according to Decree 117-CP: 1,804 CTs, with a total value of 2,601 million VND.

Cost estimates according to customer agreements: 2,537 CTs, with a total value of 5,617 million VND.

Cost estimates for water supply system repairs: 1,635 CTs, with a total value of 1,348 million VND.

Cost estimates for sewerage system connections: 43 CTs, with a total value of 339 million VND.

Construction work:

Total number of Work Orders and Contract Orders assigned by the Company for construction: 288 projects/works, 271/288 projects/works have been completed.

In addition, the Water Supply and Sewerage Construction Enterprise also promptly addresses information about broken pipes from residents, customers, and the Company's information reception department.

3.8 Company-wide customer order reception and information adjustment:

Customer orders received in 2024: 3,382 applications, including:

- Applications for new water supply system installations: 2,633 applications;
- New sewerage system installations: 66 applications.
- Other applications: Renovation, relocation, water activation, water suspension, etc.: 683 applications.

Contracts signed: 2,236 contracts, including:

- Water supply contracts: 2,177 contracts;
- Sewerage contracts: 59 contracts.

3.9 Survey and design work:

Customer survey and design consulting:

Conduct surveys and designs for water supply and sewerage works to serve the Company's production and business activities and the needs of customers for water supply and sewerage connection services. Consulting and designing for customer development of water supply and sewerage according to the Company's procedures.

The number of orders the Consulting Enterprise completed in 2024 was 3,385 for water supply system installations and 70 for wastewater connections (including orders carried over from 2023). Revenue from customer services during the year: 8,879 million VND.

- Revenue from water supply customer services: 8,501 million VND.
- Revenue from sewerage customer services: 378 million VND.

Survey and design work for construction and major repair projects:

Prepare documents for new investment and major repair projects according to the Company's capital construction investment plan, such as: Documents for system renovation and loss prevention: 27 projects; other documents according to Work Orders: 22 Documents; Documents for installation of external water supply systems: 10 projects; Documents for construction permit applications: 106 dossiers.

3.10 Regulation inspection work:

Total number of customers inspected in 2024: 16,971 households.

Number of households with reports issued: 4,524 households, 4,523 reports have been processed. Number of households inspected with cross-checking records: 12,447 households.

- Number of minutes of sealing and collection: 196 minutes, with the amount of water collected: 2,406m³, the value of sealing and collection: 59,989 million VND.
- Resolved customer complaints sent to the Company: 146 complaints.
- Recorded minutes of broken water supply system: 1,744 cases (recorded water loss: 2,416 m³, collection value: 55,307 million VND).
- Recorded minutes of broken sewerage system: 17 cases; Other: 22 cases.
- Proposed handling: 172 customers (Cut off water at the source: 209 customers; Other proposals: 25 customers).

Other verifications: 2,190 customers.

4. Future development plan

4.1 Production and business activities

No.	Indicator	Unit	Plan 2025	Percentage Plan 2025/Actual 2024 (%)	Note
1	Water Production	1,000m ³	27,093	101.51	
	- Water produced by the Company	1,000m ³	14,683	89.92	The Company reduced production output by 4,000 m ³ /day and night for Tuyen Lam Water Supply JSC to re-supply clean water to the Company.
	- Purchase water from SG-DanKia	1,000m ³	10,950	105.68	Document 7517/UBND-XD2 dated 2019-11-15 adjusted the roadmap, receiving water from SG Dankia 2 JSC: In 2025, it is 30,000 m ³ /day and night, with a purchase price of 6,132 VND/m ³
	- Purchase water from Tuyen Lam	1,000m ³	1,460	100.00	Tuyen Lam Water Supply JSC terminated the clean water purchase and sale contract 56/HĐ-MBNS dated 2021-11-05 on 2023-06-12. Plan for 2025, Tuyen Lam Water Supply JSC

No.	Indicator	Unit	Plan 2025	Percentage Plan 2025/Actual 2024 (%)	Note
					will renegotiate to sell clean water back to the Company, with a purchase price of 6,132 VND/m ³ , equal to the purchase price of water from SG Dankia 2 JSC.
2	Recorded consumed water	1,000 m ³	22,487	102.67	
3	Water loss rate Percentage	%	17%	94.75	
4	Average selling price	VND/m ³	13,305	100.03	

The Company's 2025 production and business plan

No.	Indicator	Unit	Company-wide plan	Note
A	Total Revenue	Million VND	36,411	Percentage compared to Actual 2024 is 94.55%
1	Clean water supplied	Million VND	299,202	Clean water production revenue Plan 2025 increased by 2.7% (+7.866 billion)

No.	Indicator	Unit	Company-wide plan	Note
				compared to Actual 2024
2	Water supply system construction and installation	Million VND	8,042	Recorded water increased by 2.67%, corresponding to a 2.67% increase in treated wastewater volume
3	Wastewater treatment	Million VND	19,831	Recorded water increased by 2.67%, corresponding to a 2.67% increase in treated wastewater volume
4	Other	Million VND	1,239	
5	Financial income	Million VND	39,471	Bank deposit balance as of December 31, 2024: 658 billion VND. Plan to reduce bank deposits to use funds for projects: Mang Lin booster pump station (41 billion), D600 pipeline from Dankia raw water station to Tung Lam reservoir (93 billion). Current average bank deposit interest rate: 6%/year (decreased compared to the

No.	Indicator	Unit	Company-wide plan	Note
				average realized interest rate in 2024 of 2.26%) Financial activities revenue decreased because in 2025 there was no divestment activity in associated companies compared to 2024: 15 billion
6	Other operating income	Million VND	625	
B	Net profit before tax	Million VND	95,1366	Percentage compared to Actual 2024 is 76.31%
1	Clean water supplied	Million VND	53,793	- Plan to implement the Mang Lin booster pump station project (41 billion) and the D600 pipeline from Dankia raw water station to Tung Lam reservoir (93 billion) from depreciation and development investment capital: 134 billion. Leading to a decrease in bank deposits of 134 billion. - Fixed asset depreciation increased by 5.36 billion due to

No.	Indicator	Unit	Company-wide plan	Note
				investment in 02 new projects in 2025. - Electricity costs increased by 4% per quarter in 2025: 3 billion/year. - Irrigation service costs (raw water) increased: 2 billion/year. - Salary costs increased due to inflation, the base salary increased: 5 billion.
2	Water supply system construction and installation	Million VND	669	
3	Wastewater treatment	Million VND	1,586	
4	Other.	Million VND	141	
5	Financial operating income	Million VND	39,471	
6	Other operating profit	Million VND	-525	
C	Total cost.	Million VND	273,275	Compared to 2024, an increase of 3.14%.
1	Clean water supplied	Million VND	245,409	- Clean water business costs increased: 7.614 billion (+3.20%).

No.	Indicator	Unit	Company-wide plan	Note
				<ul style="list-style-type: none"> - Increased cost of purchasing water due to the purchase price from Tuyen Lam Joint Stock Company compared to 2024; with a price of 6,132 VND/m³. - Interest expense paid during the year included in the cost of water production: 12.5 billion VND/year. - Fixed asset depreciation costs and major repair costs during the year are high: 45 billion VND/year. - Electricity costs increased cyclically by 4% per quarter in 2025.
2	Water supply system construction and installation	Million VND	7,373	- Construction costs increased: 0.221 billion (+3.09%).
3	Wastewater treatment	Million VND	18,245	- Wastewater treatment costs increased: 0.485 billion (+2.73%).
4	Other	Million VND	1,098	- Other costs increased: 0.011 billion (+1.00%).

No.	Indicator	Unit	Company-wide plan	Note
5	Total financial operating costs	Million VND	-	
6	Total other operating costs	Million VND	1,150	- Total other costs decreased: 11 million (-0.93%).
V	Total payroll.	Million VND	58,398	
1	Total employee payroll	Million VND	56,113	- The planned employee payroll for 2025 increased by 3.942 billion (+7.56%) compared to 2024's actual figures. - The actual 2025 payroll is based on business performance achieved compared to the plan.
	Cost of clean water supplied	Million VND	37,930	126.77 * water revenue/1,000 VND revenue.
	Cost of construction and installation of water supply system	Million VND	7,174	- The settled construction payroll for 2025 includes the planned payroll and additional amounts incurred during the execution of other construction projects settled in 2025.

No.	Indicator	Unit	Company-wide plan	Note
	Cost of wastewater treatment	Million VND	11,010	3,161.68 * the number of cubic meters of treated wastewater.
2	Total Board of Management payroll	Million VND	2,285	<ul style="list-style-type: none"> - The management board payroll includes 04 people. However, currently, the company's management board only has 03 people. - The planned management board payroll for 2025 increased by 207 million VND (+9.96%) compared to 2024's actual figures. - The settled payroll for 2025 is based on the actual business performance achieved compared to the plan. - 6.96 VND * total operating revenue/1,000 VND.

Note:

In the 2025 plan year, in case the bank deposit interest rate falls below the World Bank's lending interest rate (6.95%), the Company will proactively seek the Board of Directors' opinion to repay the principal of the Water Supply project loan (186 billion VND).

Interest expense of the Da Lat Water Supply Project is being tracked and allocated to the cost of water: 12.5 billion VND/year.

4.2 Water production management, operation, and loss prevention

Carry out periodic maintenance of machinery and equipment at factories, pumping stations, and networks, promptly troubleshoot and repair technical incidents to ensure stable water supply for customers.

Improve the efficiency of information processing and reporting of implementation results quickly.

Renovate, upgrade, replace, and add pipelines to increase supply sources, improve service quality for customers, and have effective measures to reduce water loss rate percentage.

For the water supply system of districts and towns, coordinate with units to detect the causes of water loss and propose accurate and long-term solutions to prevent water loss.

Gradually renovate, upgrade, automate, and modernize factories with the motto of economy and efficiency.

4.3 Service quality management, design consulting, construction and installation, water meter management, regulation inspection

Service quality

Strengthen and improve the effectiveness of management, improve service quality, and serve customers throughout the system. Regularly receive feedback on clean water quality on the network. Promptly handle incidents related to water quality to ensure safe water supply for customers. Review and inspect equipment on the network, especially upgraded and renovated routes.

Continue working with several Bank partners, applying collection on Smartphones and e-Wallets, e-Wallet service providers such as: ZaloPay, VNPT, FPT... to diversify payment methods for customers, limit and avoid cash use. Effectively use application software in reading meter readings, electronic invoices for water bills, and controlling water bill debts.

Water quality

Complete the application for product regression registration by the beginning of Quarter 3 of 2025. Coordinate and support factories in the work of inspecting and monitoring water quality by state management agencies, which is the Center for Disease Control on an annual basis.

Design consulting

Meet customer water supply and sewerage requirements promptly. Focus on completing assigned tasks according to the 2025 Production and Business plan.

Water meter management

Periodic verification plan for 2025: 18,292 water meters/year. Periodic verification according to the Law on Measurement. Verification at the Company's request for all types of meters with suspected stagnation, blur, or sudden changes in readings, and quality inspection of water meters of affiliated units.

Regulation inspection

Plan for unscheduled and periodic inspections in the year: 17,000 households.

Promptly and timely handling of pipe burst incidents due to objective and subjective reasons, collecting lost water and flushing pipelines accordingly; Receiving information and organizing inspections and handling of acts of infringement on the water supply and wastewater collection and treatment systems; Organizing route inspections for meter reading by cross-checking to minimize errors in each reading period; Coordinating with Meter Reading Departments and Teams to implement anti-loss measures, especially for damaged or faulty water meters, to propose timely replacements; Performing statistics and analysis of data related to water meter reading and collection to identify inconsistencies and implement inspection and control measures to prevent loss and revenue loss; More strictly and decisively handling construction units working in Da Lat City that affect the water supply and sewerage systems.

4.4 Land management, water exploitation management, and environmental protection

Land management and environmental work

Completing the application for the land lease right certificate (LURC): Contacting the Department of Natural Resources and Environment and local management to continue implementation;

Applying for land lease at wells 2, 3, 4, and 6 of Bao Lam water plant and the raw water pumping station of Nam Ban – Dong Thanh – Lam Ha water plant: contacting the locality and the Department of Natural Resources and Environment for implementation;

Applying for new land lease at the raw water pumping station (newly compensated) at Dam Rong water plant: continuing to contact the Department of Natural Resources and Environment to complete the application

Developing and implementing the 2025 environmental protection plan for the entire Company to ensure production is linked with environmental protection, complying with legal regulations on water resource exploitation and use in production.

Coordinating with consultants to prepare environmental permit applications for member water plants, including: Da Teh water plant; Dam Rong water plant; Dankia water plant; Da Thien water plant; Da Huoai water plant;

Other tasks

Supplying materials for the construction of the Company's water supply and sewerage projects, supplying chemicals (alum, lime, soda, chlorine) to affiliated units for clean water production.

Implementing environmental protection plans such as:

- Coordinating with consultants for periodic monitoring of water supply environment at member water plants and wastewater environment at the Wastewater Management Enterprise.
- Implementing environmental monitoring reports at member units.

Coordinating the analysis of type B water supply parameters twice a year according to the National Technical Regulation on Quality of Drinking Water QCVN 01:2009/BYT and QCVN 01-1:2018BYT.

Implementing periodic and ad-hoc reports as requested by the Company's leaders to Departments and local authorities (Reports such as: Report on the current status of water exploitation permits; Clean water quality report; Chemical report; Environmental protection report; Statistical report, etc.).

4.5 Construction Investment Management

Continue implementing outstanding projects from 2024; Deploy 2025 construction projects upon approval by the General Meeting of Shareholders; Coordinate with relevant departments and units for project acceptance and settlement.

For unplanned projects, prepare a report explaining the economic efficiency and submit it to the Board of Directors for consideration.

4.6 Wastewater treatment plant management

Settle the 2024 contract for the operation and management of the centralized wastewater collection and treatment system in Da Lat City with Da Lat Center for Investment Management and Operation of Irrigation Works.

Prepare documents to re-sign the contract for the operation and management of the centralized domestic wastewater treatment system in Da Lat City. Coordinate with relevant departments of the company to prepare for the bidding of the operation and management

of Da Lat City's centralized wastewater collection and treatment system according to regulations.

Wastewater treatment services:

- In 2025, the treated wastewater output is estimated to reach about 3,471,959 m³ (a 3% increase compared to 2024), averaging 9,512 m³/day and night.
- Estimated revenue: 19,831 million VND.
- Profit: 1.586 billion, a 2% increase compared to 2024.

4.7 Financial tasks

Continue to carry out professional accounting and financial tasks: Timely and fully reflect all types of revenue and expenses incurred in 2024 for the entire company, without any significant errors.

Proactively collaborate with other departments within the company in settling construction projects according to regulations. Enhance data analysis capabilities and professional expertise of accounting staff throughout the company.

4.8 Administrative organization and other tasks

Continue to perform monthly tasks: salaries, insurance, fluctuation reports, etc.

The projected labor recruitment in 2025 is 26 employees to replace 15 retired employees and 11 employees who are still lacking compared to the established quota.

Provide advanced training to upgrade worker skills for approximately 47 employees according to their tenure; provide occupational safety and health training and first aid training for 370 employees; provide chemical safety training for 110 employees working in operations and laboratories. In addition, the company will provide training in other professional skills according to the needs of departments and units.

Estimated planned salary in 2025 based on the preliminary total salary fund is 58.398 billion VND. Of which, the employee salary fund is 56.113 billion VND, and the Board of Management salary fund is 2.285 billion VND.

Allocate the 2025 planned salary to the units.

Organize a year-end party and a new year meeting for officials and employees in 2025.

Prepare for the annual Employee Conference and the 2025 General Meeting of Shareholders.

Organize periodic health check-ups and vacations for officials and employees in 2025.

Provide and measure uniforms and labor protection equipment for the entire company.

Conduct fixed asset inventory and environmental monitoring in 2025.

Organize fire prevention and fighting drills.

5. Report on environmental and social responsibility assessment

5.1 Environmental Performance Assessment

The company has actively implemented numerous solutions to ensure compliance with and exceed environmental criteria. By investing in modern technology, improving production processes, and enhancing resource utilization efficiency, the company not only minimizes negative environmental impacts but also contributes to protecting the surrounding ecosystem. Furthermore, activities such as quality monitoring, material reuse, and promoting environmental awareness within the community are also prioritized. These efforts not only help the company comply with environmental regulations but also affirm its commitment to sustainable development, aiming for a balance between economic growth and environmental protection.

The Environmental Protection plans implemented by LAWACO during the year include:

- Collaborating with consulting units for periodic monitoring of water supply environments at member water plants and wastewater environments at the Wastewater Management Enterprise.
- Coordinating with consultants for the collection of hazardous waste at Da Lat Water Plant and the company's office.
- Implementing environmental monitoring reports at member units.
- Implementing water exploitation reports for member water plants.

5.2 Assessment related to labor issues

The company facilitates opportunities for employees to participate in training courses, seminars, and skill enhancement programs, helping them continuously improve their competencies and work performance. The working environment at the company is built on the spirit of respect, solidarity, and creativity, where each individual has the opportunity to contribute ideas and demonstrate their potential.

Welfare policies such as comprehensive health insurance, financial support in cases of hardship, and the organization of internal bonding activities are also prioritized to bring peace of mind and satisfaction to employees.

Researching, adjusting, amending, supplementing, and issuing Labor Regulations, Regulations, and Emulation and Commendation Criteria. Determining salary sources for each year, allocating percentages for the annual Reward Fund and Welfare Fund.

Simultaneously, the Board of Directors always listens to the opinions and aspirations of employees, along with the attention of the Executive Committee of the grassroots Trade Union, which has helped create a creative and efficient working environment, contributing to the common goal of sustainable development for the enterprise.

During the year, the company continued to maintain the level of rewards and benefits for employees, organizing visits and gift-giving programs during holidays and Tet, aiming to strengthen solidarity between the leadership team and employees.

5.3 Social Security – Community Development

Alongside pursuing profit goals, LAWACO identifies social responsibility as a crucial foundation in its journey of sustainable development. In the past year, besides continuously improving business efficiency, LAWACO has actively implemented numerous meaningful activities to contribute to the community. From practical charity programs to creating stable job opportunities for workers in Da Lat City and surrounding areas, the company has demonstrated its pioneering role in promoting the local economy. At the same time, LAWACO always seriously fulfills its tax obligations fully and on time, demonstrating its responsibility towards the overall development of the country. With these efforts, LAWACO not only builds corporate value but also contributes to creating a brighter future for the community and society.

6. Board of Directors' explanation for audit opinions

The consolidated financial statements of LAWACO for the fiscal year ending December 31, 2024 have been audited by International Auditing Company Limited. The auditor has issued an unqualified opinion on these financial statements. Therefore, the Board of Directors has no further comments.

IV. Board of Directors' Assessment

1. Evaluation of the Company's operational aspects

In 2024, the Board of Directors performed its duties professionally, strictly complying with legal regulations, including the Enterprise Law, the Securities Law, the Company Charter, and other relevant legal provisions.

The Board of Directors' operations always ensure transparency and efficiency, with meetings organized in accordance with the procedures prescribed in the Company Charter,

the Internal Regulations on Corporate Governance, and the Board of Directors' Working Regulations.

All decisions, Resolutions, and meeting minutes are adopted based on thorough discussion and high consensus among members, and are fully and accurately archived according to regulations, ensuring legality and transparency in all governance activities.

1.1 Implementation status of operational objectives set out in the 2024 General Meeting of Shareholders Resolution

(Unit: VND million)

No.	Indicator.	2024 Plan	FY 2024	%FY 2024/Plan 2024
1	Total Revenue	355,302	389,647	109.67%
2	Net Revenue	311,264	319,686	102.71%
3	Accounting Profit Before Tax	85,722	124,672	145.44%
4	Net Profit After Corporate Income Tax	68,577	99,702	145.39%
5	Water Loss Rate Percentage	18%	17.94%	99.67%

In the past year, LAWACO has achieved remarkable accomplishments in its business operations, exceeding the set targets. The volume of water supplied to customers increased by 3% compared to the previous year, reaching over 26.6 million m³, fully meeting the needs of residents and business organizations in the area. Net revenue reached 319,686 million VND, exceeding the plan by 2.71%, and profit after tax reached 99,702 billion VND. Notably, the water loss rate percentage was controlled at 17.94%, lower than the 18% target set by the Company. This is the result of significant investments in modern pipeline systems, improved operating processes, and enhanced customer service quality.

The Board of Directors highly appreciates the efforts of the management team and all employees in implementing the company's sustainable development strategy. Maintaining a stable clean water supply, ensuring water pressure at all times, and minimizing technical incidents have contributed to increased customer satisfaction, with a positive feedback rate. In addition, the Company has also promoted digital transformation in management, from

digitizing customer records to implementing online payment applications, helping to save operating costs and enhance transparency in transactions. With these positive results, the Board of Directors believes that the company is on the right track to continue developing and affirming its position as one of the leading water supply companies in Vietnam.

1.2 Implementation status of capital construction investment in 2024

Construction of customer branch pipe settlement ("CT") for the entire Company in 2024

- Number of Customer Development settlements according to Decree 117-CP: 2,360 settlements. Value: 3,135 million VND;
- Number of Customer Development settlements according to agreements with Customers: 3,381 settlements. Value: 6,960 million VND;
- Number of settlements for water supply system repair: 1,756 settlements. Value: 1,515 million VND;
- Number of sewerage system installation settlements: 43 settlements. Value: 339 million VND.

Capital construction investment management

Content	According to the 2024 Construction and Investment Plan (VND billion)	Implemented until the end of 2024-12 (VND billion)	Percentage compared to Plan %
Total Construction and Investment Costs in 2024 (including projects transferred from 2023)	49,68	29,13	58.63%
New Investment Items	40,4	23,72	58.72%
Major Repair Items	5,7	1,75	30.78%

Content	According to the 2024 Construction and Investment Plan (VND billion)	Implemented until the end of 2024-12 (VND billion)	Percentage compared to Plan %
Water Loss Prevention Items	3,58	3,65	101.86%

New investment items exclude the project: “Installation of D600 pipeline from Dan Kia Water Plant to Tung Lam reservoir and construction of MangLin booster pump station (To increase the capacity of Dan Kia Water Plant to 49,000 m³/day and night, ensuring safe water supply for Da Lat City and a part of Lac Duong district)” – Value: 134 billion VND.

Reason: The project is in the process of carrying out relevant legal procedures to submit to the Provincial People's Committee for approval of the project investment policy (Land use planning, environment, traffic, etc.).

New investment items

Total of 30 projects, including 13 projects in 2024 and 17 projects carried over from 2023. Total contract/voucher value is 20,670 million VND. Settled value is 16,307 million VND, unfinished value is 5,555 million VND.

Major repair work items

Total of 37 projects, including 15 projects in 2024 and 22 projects carried over from 2023. Total contract/voucher value is 1,334,64 million VND. Settled value is 947,98 million VND, unfinished value is 330,75 million VND.

Anti-loss work items

Total number of projects in 2024 is 23. Total contract/voucher value is 3,289,36 million VND. Settled value is 2,913,13 million VND, unfinished value is 314,58 million VND.

Unplanned items arising outside the 2024 Construction Plan

Total contract/voucher value is 9,523,2 million VND. Settled value is 8,416 million VND, unfinished value is 197,44 million VND.

Projects funded externally and paid for by customers

Total contract/voucher value is 910,29 million VND. Settled value is 345 million VND, unfinished value is 482,28 million VND.

2. Board of Directors' assessment of the General Director Board's activities

“Pursuant to the Company's Charter, internal regulations on Corporate Governance, regulations on the operation of the Board of Directors, LAWACO's Board of Directors has supervised the activities of the General Director and members of the Executive Board in directing production and business and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors in 2024.”

The Board of Directors acknowledges and highly appreciates the continuous efforts of the General Director Board in effectively implementing the production and business plan for the fiscal year 2024. Facing numerous challenges, the General Director Board has demonstrated flexibility and determination through timely solutions to overcome difficulties, while proactively seizing opportunities to optimize operational efficiency and deliver positive results for the Company. Specifically:

- The Chairman of the Board of Directors, members of the Board of Directors concurrently holding positions in the Executive Board/General Director Board, and authorized individuals participated in monthly, quarterly, and annual meetings to monitor the situation and provide timely direction to achieve the production and business targets approved by the Board of Directors.
- The Executive Board's proposals submitted to the Shareholders' Meeting were discussed by the Board of Directors at Board meetings, and after the Board of Directors' resolutions, they were promptly forwarded to the Executive Board for implementation. During the implementation process, the Executive Board regularly and promptly reported the progress and results of implementation in writing to the Board of Directors.
- The General Director regularly reports to the Board of Directors on the financial situation, investment status, and production and business activities in each period, as well as future directions, for the Board of Directors' guidance. Based on this, the Board of Directors is able to closely monitor the General Director Board in implementing the resolutions and decisions of the Board of Directors. In addition, the General Director promptly reported all unusual issues related to LAWACO's operations, whereby many difficulties were promptly addressed by the Board of Directors.

3. Board of Directors' plans and orientations

No.	Criteria	Unit	Plan 2025
1	Total Revenue	VND million	368,411
2	Revenue from goods sold and services rendered	VND million	328,314
3	Accounting Profit Before Tax	VND million	95,137
4	Total expenses	VND million	273,275
5	Total Payroll	VND million	58,398
6	Water Loss Rate Percentage	%	17%

Note: In the 2025 plan year, if bank deposit interest rates fall below the World Bank's lending rate (6.95%), the Company will proactively seek the Board of Directors' opinion on repaying the principal of the Water Supply project loan (186 billion VND). The interest expense of the Da Lat Water Supply Project is being tracked and accounted for in the water cost: 12.5 billion VND/year.

Ensure highly effective production and business activities, with an average increase in commercial water output of over 2.5%/year (period 2023 - 2028). Complete the plan to combat water loss, reduce the NRW ratio with the desire for the annual loss rate to decrease by 1%, to 15% by 2028.

For wastewater treatment activities, LAWACO has the obligation and responsibility to continue managing and organizing the Wastewater Management Enterprise's operations according to the order of Da Lat City People's Committee.

Rational use of existing capital, reasonable investment phasing with the main goal of ensuring water supply to meet the development needs of the locality, appropriate water prices ensuring affordability for people and the debt repayment plan for ODA projects and profitable for LAWACO.

Develop a plan to improve the efficiency of production and business activities to ensure that LAWACO's return on equity in the following years always achieves high efficiency.

Research and gradually apply digital transformation to each of LAWACO's operating areas. Initially, it is necessary to build a reasonable roadmap for transformation to change awareness, work management thinking, and organizational culture, provide information

and data quickly, minimize operating costs, maintain LAWACO's competitive advantages, and promote digital transformation.

Continue to restructure towards streamlining, in line with the diversified business development strategy, towards a multi-disciplinary, professional company, expanding the market outside the province and region such as: Expanding business lines, especially in areas where LAWACO has advantages such as installation services for water supply systems after the water meter.

V. Corporate Governance

1. Board of Directors

1.1 Composition and structure of the Board of Directors

No.	Member	Position	Number of Shares Owned (*)		Ownership Percentage	Appointment Date
			Individual	Representative		
1	Mr. Phan Dinh Tan	Chairman of the Board of Directors	-	10,735,182	13.62%	2023-05-27
2	Mr. Nguyen Hung Cuong	Member of Board of Directors	-	22,059,047	27.99%	2023-05-27
3	Mr. Tran Quoc Hung	Non-Executive Member of Board of Directors	-	-	-	2023-05-27
4	Mr. Nguyen	Member of Board	3,600	9,453,877	12.00%	2023-05-27

	Van Dung	of Directors				
5	Mr. Do Van Ha	Non- Executiv e Member of Board of Directors	-	13,975,893	17.70%	2023-05-27

(*) Based on the list of shareholders as of March 5, 2024.

1.2 Board of Directors' resumes

Mr. Phan Dinh Tan – Chairman of the Board of Directors

Nationality: Vietnam

Qualification: Economic Management.

Number of shares held at present:

- Personal: None.
- Number of shares owned by Representative: Mesa Service and Trading Co., Ltd. 10,735,182 shares (accounting for 13.62% of charter capital).

Work experience

Time	Position - Workplace
1972 – 1975	Officer of the Task Force of Bong Son Town, Hoai Nhon District, Binh Dinh Province
1975 – 1976	Secretary Member of the People's Committee of Bong Son Town, Hoai Nhon District, Binh Dinh Province
1976 – 1979	Student at Nghia Binh Province School of Economic Management
1990 – 2003	Deputy Director of Hoan Cau Co.,Ltd
November 2003 – Present	General Director of Hoan Cau Co.,Ltd

November 2003 – July 2015	Board of Directors’ members of Nam A Commercial Joint Stock Bank
July 2015 – October 2016	Chairman of the Board of Directors of Nam A Commercial Joint Stock Bank
October 2016 – December 2022	Vice Chairman of the Board of Directors of Nam A Commercial Joint Stock Bank
July 2015 – Present	Board of Directors’ members of Ben Tre Water Supply and Sewerage Joint Stock Company
December 2018 - Present	Board of Directors’ members 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 Co.,Ltd
December 2018 - Present	Chairman of the University Council 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 Joint Stock Bank
2018 – Present	Chairman of the Board of Directors, Lam Dong Water Supply and Sewerage Joint Stock Company

Mr. Tran Quoc Hung – Board of Directors’ members

Nationality: Vietnam.

Qualification: Business Administration.

Number of shares held at present: None.

Work experience

Time	Position - Workplace
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1991 – 2000	Staff at Dalat Palace & Pu Parc Dalat Hotel, a subsidiary of Dalat Royal Joint Stock Company.
May 2000 – April 2013	In charge of business at Long Thanh Golf Course, Dong Nai.
May 2013 – December 2016	Chief Operating Officer of Dalat Golf Course, a unit under Dalat Royal Joint Stock Company.
January 2016 – Present	Permanent Deputy General Director cum Chief Operating Officer of Dalat Royal Joint Stock Company's Golf Course. Board of Directors' members of Dalat Royal 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 - Non-executive Board of Directors' members

Nationality: Vietnam

Qualification: Bachelor's degree in Mechanical Engineering.

Number of shares held at present:

- Personal: 0 shares.
- Representing shares of Truong Thi My An: 13,975,893 shares, accounting for 17.74% of charter capital.

Work experience

Time	Position - Workplace
September 2009 – October 2010	Engineer at Technology Transfer Group Corporation
October 2010 – May 2014	Design, testing, and procurement team leader (mechanical and electrical category) at Petroleum Equipment Assembly And Metal Structure Joint Stock Company
May 2014 – August 2016	Deputy director of NPL Logistics Corporation

September 2016 – December 2018	Deputy general director of Confitech Energy Joint Stock Company
January 2019 – July 2020	Deputy project manager of Vietnamsolar Corporation
August 2020 – April 2022	Project director of Adani Phuoc Minh Solar Power Joint Stock Company, Adani Phuoc Minh Wind Power Joint Stock Company
July 2022 – Present	General director of Daewon Hoan Cau Housing Development Joint Venture Co.,Ltd
April 2023 – Present	General director of Long An Solar Park Corporation
April 2023 – Present	Board of Directors' members of Bao Minh Securities Company
May 27 2023 – Present	Member of the Board of Directors of Lam Dong Water Supply and Sewerage Joint Stock Company

Mr. Nguyen Hung Cuong – Board of Directors' members and General Director: see Management Board's resume.

Mr. Nguyen Van Dung – Board of Directors' members and Deputy General Director: see Management Board's resume.

Activities of sub-committees in the Board of Directors: none.

1.3 Board of Directors meetings

No.	Board of Directors' members	Position	Number of meetings attended by Board of Directors	Participation Rate	Note
1	Mr. Phan Dinh Tan	Chairman of the Board of Directors	10	100%	

2	Mr. Nguyen Hung Cuong	Member of Board of Directors	10	100%	
3	Mr. Tran Quoc Hung	Non-executive member of Board of Directors	10	100%	
4	Mr. Nguyen Van Dung	Board of member of Directors	10	100%	
5	Mr. Do Van Ha	Non-executive member of Board of Directors	10	100%	

Changes in the list of Board of Directors' members in 2024: None.

1.4 Evaluation of the Board of Directors' activities in the year

The Board of Directors performed its duties in accordance with the Company's Charter, organized and maintained regular meetings, and successfully organized the 2024 Annual General Meeting of Shareholders.

In the meetings, the members gave opinions, directed guidelines, directed policies, and deployed production and business activities based on the Resolution of the General Meeting of Shareholders and legal regulations.

The Board of Directors has boldly suspended some large capital investment projects whose effectiveness is not yet feasible, focusing on investing in anti-loss and leakage work, renovating and upgrading disadvantaged areas, expanding water supply areas, developing customers, saving costs, reducing production costs, and implementing a strategy to increase sustainable output along with selling prices for the right purposes.

The Board of Directors always closely follows the actual situation, promotes LAWACO's strengths, all production, business and service activities are customer-centric; strategies,

customer development plans, water supply area development, management methods, training... are all focused and seriously implemented.

The Board of Directors has demonstrated effective leadership through directing the successful implementation of the business and production plan, achieving results exceeding the set targets.

The Board of Directors has proactively improved internal management policies towards professionalization and optimized operating processes, helping to save costs and increase employee and customer satisfaction. These correct decisions have created a solid foundation for the sustainable development of the company.

1.5 Resolutions/Decisions of the Board of Directors in 2024

In 2024, the Board of Directors held 10 Board of Directors meetings and issued the following Resolutions and Decisions:

No.	Resolution/Decision Number	Date	Content	Approval rate
I	Resolution			
1	01/2024/NQ-HĐQT	2024-01-31	<p>Approval of the Plan for Organizing the Annual General Meeting of Shareholders (AGM) 2024 with the main contents:</p> <p>a. Record date for 2024 AGM: 05/3/2024.</p> <p>b. Time to prepare documents for the 2024 AGM: from 2023-01-31 to 2024-03-15.</p> <p>c. Contents approved by the Board of Directors for drafting by members of Board of Directors, the Board of Supervisors, and the General Director.</p> <p>d. The time for reviewing and approving documents, the 2024 General Shareholders' Meeting</p>	100%

			date, the timing for sending out the shareholder meeting invitation letters, and the detailed agenda of the General Shareholders' Meeting....	
2	Resolution 02/2024/NQ-HĐQT	2024- 02-02	<ol style="list-style-type: none"> 1. Agreement on the allocation of salary for key positions within the Board of Management. 2. Assigning the General Director to review the investments in the year and select low-interest deposits that are due or near maturity for investment; For funds that are not yet needed, assign the General Director to review and select a reputable bank offering a high return rate for deposits. 3. Agreement to have Mr. Nguyen Hung Cuong cease representing the capital of Lam Dong Water Supply And Sewerage Joint Stock Company at DILIWACO and DUCTRONGWACO, and to nominate Mr. Đỗ Van Ha, a member of the Board of Directors, to take on this position. 	100%
3	Resolution 03/2024/NQ-HĐQT	2024- 02-23	<ol style="list-style-type: none"> 1. Proposing adjustments and additions to DILIWACO's Submissions No. 02, 04, 05, 07, and 08 at the 2024 Annual General Meeting as follows: 	100%

			<ol style="list-style-type: none"> 2. Do not participate in capital contribution with DILIWACO, and focus resources on increasing the capacity of Suoi Vang Plant. 3. Nominate Mr. Do Van Ha to run for the position of member of the Board of Directors of DILIWACO for the remaining term of 2023 – 2028. 4. Appoint Mr. Do Van Ha to attend the 2024 Annual General Meeting of DILIWACO, which will be held on 2024-02-26 in Di Linh Town, Di Linh District, Lam Dong Province. 	
4	Resolution 04/2024/NQ-HĐQT	2024- 04-02	<ol style="list-style-type: none"> 1. Adjust and supplement the 2024 Annual General Meeting document dossier for submissions 05, 06, 08, and appendix 5/1. 2. Adjust the draft report of the Board of Directors at the 2024 Annual General Meeting. 3. Finalizing the set of documents for the 2024 AGM, including: <ul style="list-style-type: none"> – 10 submissions; – 05 reports; – Draft Resolution; – Meeting agenda; – Voting ballots on issues; – Appendices. 	100%

			<ol style="list-style-type: none"> 4. Establishing additional committees for the 2024 AGM, including: Delegate Eligibility Check Committee; Voting counting Committee; Arts and Reception Committee. 5. The 2024 AGM Committee shall proceed with the next steps in accordance with the approved plan. 	
5	Resolution 05/2024/NQ-HDQT	2023- 05-15	<ol style="list-style-type: none"> 1. Assigning the Board of Management to develop specific solutions to achieve production and business plan targets for 2024. 2. Agreeing to authorize the General Director to select the auditing firm for the 2024 financial statements and sign the contract. 3. Authorizing the General Director to complete the necessary procedures to pay dividends in cash in 2023. 4. Assigning the General Director to develop a divestment plan for DILIWACO and DUCTRONGWACO that approved by the Board of Directors before implementation. 5. Assigning the General Director to work with and seek intervention from the relevant authorities regarding the water purchase from Tuyen Lam Company, develop backup plans as Proposal No. 10, and submit to the Board 	100%

			<p>of Directors for approval before implementation.</p> <p>6. Feedbacking on the 2024 AGM document of DILIWACO will fullfill once DILIWACO supplies the completed materials.</p> <p>7. The nomination of candidates for the Board of Directors of DILIWACO and attendees in DILIWACO's 2024 AGM remains consistent with the voting results on 2024-02-23.</p> <p>8. The investment in the Phu Hoi Industrial Park Water Supply Plant as Official Dispatch No. 42/CV-CTNDT dated 2024-05-07, from DUCTRONGWACO.</p>	
6	Resolution 06/2024/NQ-HĐQT	2024- 05-27	<p>1. Agreeing with the DILIWACO's document for the 2024 AGM. However, Proposal No. 5 regarding the production and business plan, basic construction investment, salaries, and profit distribution,... with a VND 42 billion total investment, detailed explanations on the investment's efficiency. This is a basis acquirement for approval. The investment needs to be re-evaluated.</p> <p>2. Agreeing to propose that the Board of Directors of DUCTRONGWACO select Option 2 for the construction investment of 5,000m³/day and night Water Factory in Phu Hoi</p>	100%

			<p>Industrial Park, Duc Trong District (investment value: VND 27.7 billion).</p> <p>3. Agreeing to propose that the Board of Directors of DUCTRONGWACO adjust the land area for the 5,000 m³/day and night Water Factory in Phu Hoi Industrial Park, Duc Trong District construction project.</p> <p>4. Agreeing to authorized Mr. Nguyen Hung Cuong to attend the Board of Directors meeting of DUCTRONGWACO held in Ho Chi Minh City on May 30, 2024, and to discuss related matters.</p> <p>5. Authorizeing Mr. Do Van Ha, as the representative of LAWACO's capital at DILIWACO and DUCTRONGWACO, to provide response document or present at meetings related to the above-mentioned matters concerning DILIWACO and DUCTRONGWACO.</p>	
7	07/2024/NQ-HĐQT	2024-07-30	<p>1. Agreeing with the proposal for transferring LAWACO's contributed capital at DILIWACO and DUCTRONGWACO that was presented by the Board of Management:</p> <p>1.1 The transferred assets are: 583.474 ordinary shares of DILIWACO and 433.350 ordinary shares of DUCTRONGWACO.</p> <p>1.2 The asset transfer method: asset auction.</p>	100%

			<p>1.3 Auction method: ascending price bidding.</p> <p>1.4 Auction format: direct verbal bidding at the auction.</p> <p>1.5 Starting prices:</p> <ul style="list-style-type: none"> - DILIWACO shares: VND 11,800 per share. - DUCTRONGWACO shares: VND 25.000 per share. <p>1.6 Auction timing:</p> <ul style="list-style-type: none"> - DILIWACO: in Third Quarter 2024. - DUCTRONGWACO: after DUCTRONGWACO finalizes the record date. <p>2. Assigning Mr. Do Van Ha, the representative of LAWACO's capital at DUCTRONGWACO, to urge DUCTRONGWACO to promptly conduct the 2024 AGM and finalize the record date to complete the auction before December 4, 2024 (the expiration date of the Valuation Certificate).</p> <p>3. Assigning the General Director to implement the subsequent steps.</p>	
8	08/2024/NQ-HĐQT	2024-08-13	<p>1. Feedbacking on the documents for the 2024 AGM of Duc Trong Water Supply, Drainage and Construction Joint Stock Company (“DUCTRONGWACO”):</p> <p>a) Proposing amendments to DUCTRONGWACO’s Charter:</p> <p>a.1) Based on Proposal No. 04/2024/TT-HĐQT:</p> <ul style="list-style-type: none"> - Article 3: Proposed amendment as follows: The legal 	100%

			<p>representative of the Company: The Company shall have one legal representative, the Chairman of the Board of Directors or the Director; The Director shall be the company's legal representative upon approval by the Board of Directors. The Chairman of the Board of Directors shall appoint the legal representative based on the Board of Directors' Resolution.</p> <ul style="list-style-type: none"> - Article 33: Agreed. - Article 47: Remove the phrase "The Director may be the legal representative of the Company." <p>a.2) Proposing addition to the Charter company managers: The company's managers include in: the Chairman of the Board of Directors, members of the Board of Directors, the Director, Deputy Directors, and the Chief Accountant.</p> <p>2. Proposal No. 02: Continuing the investment in the 5,000 m³/day and night Water Factory in Phu Hoi Industrial Park: agreeing with the policy of investment but not agreeing to increase charter capital by VND 13.5 billion. This funding should be borrowed to implement. The implementation process must be open and transparent; bidding must comply with current regulations and laws.</p>
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			<p>2.1. Production and business plan: developed based on the actual performance results of 2023 for the main indicators, such as: Revenue, profit and dividends; For the water loss ratio, a target of 17% is proposed.</p> <p>2.2. Agreeing with the remaining contents presented at the General Meeting of Shareholders.</p> <p>2.3. For members of the Board of Management, the selection process should be carried out based on recommendations from shareholders holding at least 10% of the ordinary shares of DUCTRONGWACO, with the Chairman of the Board of Directors being appointed after the Board of Directors' approval resolution.</p> <p>2.4. Assigning Mr. Do Van Ha, LAWACO's capital representative at DUCTRONGWACO, to provide opinions and vote at the 2024 AGM of DUCTRONGWACO based on the above contents.</p>	
9	09/2024/NQ-HĐQT	2024-10-04	<p>1. Agreeing to receive additional commercial water from SDW. Assigning the Board of Management to deal with SDW</p>	100%

			<p>regarding water quality; the purchase price must be reasonably calculated based on the additional volume beyond is lower than the price of the Company's self-produced commercial water; binding conditions such as loss rate, maximum and minimum acceptance times, etc., should be adjusted accordingly the upgrade investment plan for Suoi Vang Water Plant.</p> <p>2. Agreeing on the replacement of the 2G equipment and including it in the 2024 Basic Construction Investment Plan; assigning the Board of Management to implement it in compliance with the provisions of law, regulations, and the Company Charter.</p>	
10	10/2024/NQ-HĐQT	2024-10-15	<p>1. Agreeing with the Board of Management's report on the implemented results, based on the asset transfer Option for LAWACO's capital contribution at DILIWACO and DUCTRONGWACO. The Board of Management needs to continue completing the remaining tasks, such re: utilizing the proceeds from the auction appropriately and reasonably; transferring the share ownership certificates of LAWACO at DILIWACO and</p>	100%

			<p>DUCTRONGWACO with legal regulations.</p> <p>2. Agreeing to withdraw the nomination of Mr. Do Van Ha as the capital representative of LAWACO at DILIWACO and DUCTRONGWACO.</p> <p>3. Agreeing on the resignation of Mr. Do Van Ha from the position of Board of Directors member at DUCTRONGWACO; Mr. Do Van Ha works with the Boards of Directors of the companies where he is currently a member to request resignation.</p>	
II	Decision			
1	01/2024/QĐ-HĐQT	2024-02-06	Agreeing to relieve Mr. Nguyen Hung Cuong from his role as the capital representative of LAWACO at DILIWACO and DUCTRONGWACO.	
2	02/2024/QĐ-HĐQT	2024-02-06	Agreeing to appoint Mr. Do Van Ha as the capital representative of LAWACO at DILIWACO and DUCTRONGWACO.	
3	03/2024/QĐ-HĐQT	2024-03-15	Establishing the Organization of the 2024 Annual General Meeting of Shareholders (2024 AGM)	
4	04/2023/QĐ-HĐQT	2024-04-03	Establishing the Shareholder/Delegate Eligibility Check Committee for 2024 AGM	

5	05/2023/QĐ-HĐQT	2024-04-03	Establishing the Vote Counting Committee for 2024 AGM	
6	06/2023/QĐ-HĐQT	2024-04-03	Establishing the Cultural and Reception Committee for 2024 AGM	

Activities of Independent members of the Board of Directors: No Independent members of the Board of Directors.

List of Board of Directors' members with corporate governance training certificates: none.

Summary of the results of the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders and the Resolution of the LAWACO Board of Directors in 2024

No.	Resolution /Decision Number Date of Issuance	Content	Implementation Results
I	2024 AGM Resolution	Implemented in Resolution No. 05/2024/NQ-HĐQT issued on 2023-05-15, specifically Submission No. 6 regarding: "Production and business plan, expected dividend rate for 2024" was implemented by the Board of Management immediately upon the Resolution's issuance.	100% of all targets were achieved and exceeded the plan (see details in the December 2024 Management Report on the production-business results of the entire company).
II	Board of Directors Resolution		
I	01/2024/NQ-HĐQT 2024-01-31	Implement the 2024 General Meeting of Shareholders Organization Plan	Implemented as planned

2	02/2024/N Q-HĐQT 2024-02-02	<p>1. Agree on the level of distribution of savings wages within the Board of Management.</p> <p>2. Assign the General Director to review the necessary investments in the year and select low-interest deposits that are due or near due for investment; assign the General Director to consider selecting reputable banks with high profit margins for deposits for unused capital.</p> <p>3. Agree to let Mr. Nguyen Hung Cuong resign as the representative of Lam Dong Water Supply and Sewerage Joint Stock Company's capital at DILIWACO and ĐUCTRONGWACO and nominate Mr. Do Van Ha, a member of the Board of Directors, to hold the above position.</p>	<p>1. Implemented</p> <p>2. Implemented</p> <p>3. Implemented</p>
3	03/2024/N Q-HĐQT 2024-02-23	<p>1. Propose adjustments and additions to DILIWACO's Submissions No. 02, 04, 05, 07, and 08 at the 2024 DILIWACO Annual General Meeting of Shareholders.</p> <p>2. Do not contribute capital to DILIWACO, focus capital on increasing the capacity of Suối Vàng.</p> <p>3. Nominate Mr. Do Van Ha to run for the position of member of the Board of Directors of DILIWACO for the remaining term of 2023-2028.</p> <p>4. Appoint Mr. Do Van Ha to attend the 2024 Annual General Meeting of Shareholders of DILIWACO held on 2024-02-26 in Di Linh Town, Di Linh District, Lam Dong Province.</p>	<p>1. Sent a written comment to DILIWACO</p> <p>2. Implemented</p> <p>3. Implemented</p> <p>4. Implemented</p>
4	04/2024/N Q-HĐQT 2024-04-02	<p>1. Adjust and supplement the 2024 General Meeting of Shareholders document dossier for submissions 05, 06, 08, and appendix 5/1.</p> <p>2. Adjust the draft report of the Board of Directors at the 2024 General Meeting of Shareholders.</p> <p>3. Agree on the document dossier used in the 2024 General Meeting of Shareholders as follows:</p> <ul style="list-style-type: none"> - 10 submissions; - 05 reports; - Draft Resolution; - Meeting agenda; - Voting ballots for issues; - Appendices. <p>4. Establish additional committees to serve the 2024 General Meeting of Shareholders, including: Shareholder Eligibility Verification Committee, Ballot Counting Committee, and Arts Ceremony Committee.</p>	<p>1. 1. Implemented</p> <p>2. 2. Implemented</p> <p>3. 3. Implemented</p> <p>4. 4. Implemented</p> <p>5. 5. Implemented</p>

		5. The 2024 General Meeting of Shareholders Organizing Committee continues to implement the next steps in accordance with the issued plan.	
5	05/2024/N Q-HĐQT 2023-05-15	<p>1. Assign the company's Board of Management to develop specific solutions to achieve the 2024 production-business plan targets.</p> <p>2. Agree to authorize the General Director to select an audit unit for the 2024 Financial Statements and sign a performance contract.</p> <p>3. Agree to assign the General Director to carry out the necessary procedures to pay dividends to shareholders for 2023 in cash;</p> <p>4. Assign the General Director to develop a divestment plan at DILIWACO and DUCTRONGWACO through the Board of Directors before implementation.</p> <p>5. Assign the General Director to work and seek intervention from relevant agencies regarding Tuyen Lam Company's water purchase, develop contingency plans according to proposal number 10, and submit to the Board of Directors for approval before implementation.</p> <p>6. The review of DILIWACO's 2024 Annual General Meeting of Shareholders documents will be conducted when complete documents are provided by DILIWACO.</p> <p>7. The nomination of candidates for the DILIWACO Board of Directors and the appointment of attendees for the 2024 DILIWACO General Meeting of Shareholders remain consistent with the voting results of 2024-02-23.</p> <p>8. Regarding the investment in the Phu Hoi Industrial Park Water Supply Plant according to Official Letter No. 42/CV-CTNĐT dated 2024-05-07 from DUCTRONGWACO.</p>	<p>1. Implemented</p> <p>2. Implemented</p> <p>3. Implemented</p> <p>4. Implemented</p> <p>5. Multiple submissions and presentations have been made to the competent authority, and contact has been made with Tuyen Lam Company, however, no response has been received to date.</p> <p>6. Implemented</p> <p>7. Implemented</p>

			8. Officially sent a document to DUCTRONG WACO
6	06/2024/N Q-HĐQT 2024-05-27	<p>1. Agree with DILIWACO's documentation prepared for the 2024 Annual General Meeting of Shareholders, however, in Proposal No. 5 regarding the Production and Business Plan, capital construction investment, salaries, profit distribution, etc., with a total investment value of over 42 billion, detailed explanations of the investment's effectiveness are required as a basis for approval; the investment capital source needs to be reviewed.</p> <p>2. Agree with the proposal for DUCTRONGWACO's Board of Directors to choose Option 2, investing in the construction of a 5,000 m³/day and night water plant in Phu Hoi Duc Trong Industrial Park (investment value is 27.7 billion VND).</p> <p>3. Agree with the proposal for DUCTRONGWACO's Board of Directors to adjust the land area of the 5,000 m³/day and night water plant construction project in Phu Hoi Duc Trong Industrial Park.</p> <p>4. Agree to allow and authorize Mr. Nguyen Hung Cuong to attend the DUCTRONGWACO Board of Directors meeting held in Ho Chi Minh City on 2024-05-30 and present relevant content.</p> <p>5. Authorize Mr. Do Van Ha, the representative of LAWACO's capital contribution at DILIWACO and DUCTRONGWACO, to respond in writing or speak directly at meetings related to the aforementioned content regarding DILIWACO and DUCTRONGWACO.</p>	<p>1. Officially provided feedback to DILIWACO</p> <p>2. Sent a document to DUCTRONGWACO</p> <p>3. Sent a document to DUCTRONGWACO</p> <p>4. Implemented</p> <p>5. Implemented</p>
7	07/2024/N Q-HĐQT 2024-07-30	<p>1. Agree with the plan for transferring LAWACO's capital contribution assets at DILIWACO and DUCTRONGWACO presented by the Board of Management.</p> <p>2. Assign Mr. Do Van Ha, the representative of LAWACO's capital at DUCTRONGWACO, to urge DUCTRONGWACO to expedite the 2024 Annual General Meeting of Shareholders and finalize the registration deadline to complete the auction before 2024-12-04 (the expiration date of the valuation certificate).</p> <p>3. Assign the General Director to implement the next steps.</p>	<p>1. Implemented according to the plan.</p> <p>2. Implemented.</p>

			3. Implemented.
8	08/2024/N Q-HĐQT 2024-08-13	<p>1. Provide feedback on the documents for the 2024 Annual General Meeting of Shareholders of Duc Trong Water Supply, Drainage and Construction Joint Stock Company (“DUCTRONGWACO”).</p> <p>2. Assign Mr. Do Van Ha, LAWACO's capital representative at DUCTRONGWACO, to provide feedback and vote at DUCTRONGWACO's 2024 Annual General Meeting of Shareholders on the above contents.</p>	<p>1. Provided feedback in writing.</p> <p>2. Implemented.</p>
9	09/2024/N Q-HĐQT 2024-10-04	<p>1. Agree to receive additional commercial water from SDW (Saigon Dankia water supply corporation). Assign the Board of Management to implement a specific agreement with SDW regarding water quality; the purchase price must be reasonably calculated based on the additional received volume beyond the initial agreement and must be lower than the Company's commercial water production price; binding conditions on the loss rate, maximum and minimum reception times... adjust the Suoi Vang Water Plant upgrade investment plan accordingly.</p> <p>2. Agree on replacing 2G equipment and adding it to the 2024 capital construction investment plan; assign the Board of Management to implement it in accordance with legal regulations and the Company's Charter and regulations.</p>	<p>1. 1. Implemented.</p> <p>2. Implemented.</p>
10	10/2024/N Q-HĐQT 2024-10-15	<p>1. Agree with the Board of Management's report on the implemented results, based on the plan to transfer LAWACO's capital contribution in DILIWACO and DUCTRONGWACO, the Board of Management needs to continue implementing some remaining tasks such as: using the proceeds from the auction for the right purpose and reasonably; handing over LAWACO's share certificates at DILIWACO and DUCTRONGWACO according to law.</p> <p>2. Agree to withdraw the nomination of Mr. Do Van Ha as LAWACO's capital representative at DILIWACO and DUCTRONGWACO.</p> <p>3. Agree with Mr. Do Van Ha's resignation from the position of Board of Directors' members at DUCTRONGWACO; Mr. Do Van Ha will work with the Board of Directors of the companies where he is a Board of Directors' members to request resignation according to his wishes.</p>	<p>1. 1. Implemented.</p> <p>2. 2. Implemented.</p> <p>3. 3. Implemented.</p>

2. Board of Supervisors

2.1 Composition and structure of the Board of Supervisors

No.	Board of Directors' members	Position	Number of shares owned	Percentage
1	Ms. Nguyen Thi My Van	Head of the BOS	1,200	0.00%
2	Ms. Nguyen Thy Phuong	Member of BOS	12,502,601	15.87%
3	Mr. Pham Van Khoa	Member of BOS	-	-

(*) Based on the list of shareholders as of March 5, 2024

2.2 Resume of the Board of Supervisors

Ms. Nguyen Thi My Van – Head of the Board of Supervisors

Nationality: Vietnam

Qualification: Bachelor of Accounting, Master of Banking.

Work experience

Time	Position - Workplace
2004 – June 2017	Accountant, Lam Dong Water Supply and Sewerage One Member Limited Liability Company
July 2017 – June 2018	Supervisor, Lam Dong Water Supply and Sewerage One Member Limited Liability Company
June 2018 – present	Head of Supervisory Board, Lam Dong Water Supply and Sewerage Joint Stock Company

Number of shares held to date:

- Personal: 1,200 shares, accounting for 0.00%.
- Representative: 0 shares.

Mr. Pham Van Khoa – Member of the Board of Supervisors

Nationality: Vietnam

Qualification: Master of Business Administration

Number of shares held at present: None.

Work experience

Time	Position - Workplace
December 1998 – December 2009	Lecturer, Deputy Head of Economics Department, Deputy Head of Training Department, Foodstuff College, Ministry of Agriculture
January 2010 – December 2010	Economist, Organization Department, Multimodal Transport Holding, Ministry of Transport
January 2011 – September 2012	Investment Officer, Investment Department 1, State Capital Investment Corporation
October 2012 – present	Investment Officer, Regional Branch, State Capital Investment Corporation
September 2024 – present	Chairman of the Board of Directors, Binh Thuan Traffic Construction Joint Stock Company
May 27 2023 – present	Member of the Board of Supervisors, Lam Dong Water Supply and Sewerage Joint Stock Company

Ms. Nguyen Thy Phuong – Member of the Board of Supervisors

Nationality: Vietnam.

Qualification: Master of Corporate Finance

Time	Position - Workplace
2011 – 2012	Employees of Duy Tan Plastics Manufacturing Corporation
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, Lam Dong Water Supply and Sewerage Joint Stock Company
June 2022 – present	Member of the Board of Directors, Vietnam tourism - Hanoi Joint Stock Company
April 2023 – present	Head of the Board of Supervisors, Bao Minh Securities Company
June 2023 – present	Member of the Board of Directors, Ben Tre Water Supply and Sewerage Joint Stock Company

Number of shares held to date:

- Individual: 0 shares
- Representative of Thuy Anh Water Supply and Sewerage Joint Stock Company: 12,502,601 shares, equivalent to 15.87% of charter capital.

Review of the list of changes in Board of Supervisors members during the year: none.

2.3 Activities of the Board of Supervisors

Report on the inspection results of the 2024 production and business activities of the entire Company.

Self-assessment report on the performance of the Board of Supervisors in 2024.

Report on the company's operating results; Operating results of the Board of Directors and Executive Board in 2024.

Selection of 03 audit units to submit to the 2024 Annual General Meeting of Shareholders.

Appraisal of the financial statements for Quarter 4 of 2023 and Quarters 1, 2, and 3 of 2024.

Submit to the General Meeting of Shareholders the 2024 working program of the Board of Supervisors. Assign tasks to each Member of the Board of Supervisors.

Report on the inspection and evaluation results of the Company's production and business activities in the first 6 months of 2024.

Conduct direct inspection of some activities in the Da Lat area and 06 affiliated factories.

Throughout the past year, the Board of Supervisors has excellently completed its assigned tasks with a high sense of responsibility and professionalism. The Board has fully implemented periodic and unscheduled inspections according to the plan, promptly

detecting and warning of potential risks in business operations. Through close supervision, the Board has made important contributions to ensuring compliance with laws, internal regulations, and improving corporate governance effectiveness. The Board's recommendations and proposals are all constructive and highly feasible, highly appreciated by the Board of Directors, and effectively implemented. With the achieved results, the Board of Supervisors has affirmed its important role in protecting the interests of shareholders and related parties, while contributing to the sustainable development of the Company.

2.4 Meetings of the Board of Supervisors

No.	Member of the Board of Supervisors	Position	Number of meetings attended by Board of Supervisors	Percentage	Note
1	Ms. Nguyen Thi My Van	Head of the Board of Supervisors	6	100%	
2	Ms. Nguyen Thy Phuong	Member of BOS	6	100%	
3	Mr. Pham Van Khoa	Member of BOS	6	100%	

2.5 Evaluation of the Board of Supervisors' activities

In 2024, the Board of Supervisors held 6 meetings. The Members of the Board of Supervisors fully attended the meetings of the Board of Supervisors and assigned members to attend the meetings of the Board of Directors.

The Board of Supervisors has conducted inspection and supervision activities to ensure compliance with the provisions of the Law, the Enterprise Law, the Accounting Law, and relevant legal documents; inspected and supervised compliance with the Company's Charter, organizational and operational regulations, and supervised the implementation of the resolutions of the 2024 Annual General Meeting of Shareholders.

The Board of Supervisors participates in regular and irregular meetings of the Company's Board of Directors. Supervise operations and divestment at affiliated companies in 2024. Review the signing of economic contracts and the implementation of investment projects according to the 2024 plan approved by the Board of Directors.

The Board of Supervisors coordinated with the Executive Board to review, adjust, and supplement financial and accounting regulations, basic construction, customer management, debt management, etc.

The Board of Supervisors has excellently completed its tasks in the past year, fully and seriously implementing the rights and responsibilities as prescribed by law and the organizational charter. With a professional, objective, and transparent working spirit, the Board of Supervisors promptly detected and proposed solutions to overcome existing problems in management and operation. These efforts have made important contributions to improving the organization's operational efficiency, ensuring legal compliance, and protecting the interests of stakeholders.

2.6 Content of the Board of Supervisors' meetings

No.	Resolution/Decision Number	Date	Content
1	01/2024/BC-BKS	2024-04-22	Review of Financial Statements for Quarter 4/2023
2	02/2024/BC-BKS	2024-03-15	Lawaco's 2023 Production and Business Report
3	03/2024/BC-BKS	2024-04-22	Company's business results, activities of the Board of Directors and General Director in 2024
4	04/2024/BC-BKS	2024-04-22	Self-assessment report on the performance of the Board of Supervisors in 2024

5	06/2024/TT-BKS	2024-04-22	Proposal for audit selection in 2024
6	05/2024/BC-BKS	2024-04-19	Review of Financial Statements for Quarter 1/2025
7	07/2024/KH-BKS	2024-07-01	Notice of the inspection plan for the first 6 months of 2024
8	14/2024/BC-BKS	2024-08-15	Lawaco's production and business report for the first 6 months of 2024
9	15/2024/BC-BKS	2024-10-17	Review of Financial Statements for Quarter 3/2024
10	16/2024/KH-BKS	2024-11-15	Notice regarding the establishment of the 2025 production and business plan

3. Transactions, remuneration and benefits of the Board of Directors, Member of the Board of Supervisors and Board of General Directors

3.1 Income of the Board of Directors

Unit: Dong

No.	Name	Position	2024	2023
1	Phan Dinh Tan	Chairman of the Board of Directors	639,791,875	602,393,416
2	Nguyen Hung Cuong	Member of Board of Directors and	1,547,634,552	1,318,376,637

		General Director		
3	Tran Quoc Hung	Member of Board of Directors	243,907,126	236,888,850
4	Nguyen Van Dung	Member of Board of Directors and Deputy General Director	973,446,562	899,145,851
5	Do Van Ha	Member of Board of Directors	195,079,156	65,920,000
6	Duong Tien Dung	Member of Board of Directors (dismissed)	48,827,968	170,968,850
Total			3,648,687,239	3,293,693,604

3.2 Income of the Member of the Board of Supervisors

Unit: Dong

No.	Name	Position	2024	2023
1	Ms. Nguyen Thi My Van	Head of Department	592,228,344	600,959,387
2	Pham Van Khoa	Member	121,262,982	43,840,000
3	Nguyen Thy Phuong	Member	121,262,982	43,840,000
4	Tran Van Thuan	Member (dismissed)	27,644,988	96,636,104

5	Vy Thi Be	Member (dismissed)	27,644,988	77,388,736
6	Tran Thi Thuy	Member (dismissed)	-	6,400,000
Total			890,044,84	869,064.,27
1	Mr. Bui Hoang Truong Vi	Chief Accountant	649,691,188	595,682,427

3.3 Transactions between LAWACO and the company that its members of Board of Management, the Board of Supervisors, General Director and other managers have been founding members or members of Board of Directors, or CEOs in three (03) latest years (calculated at the time of reporting): None.

3.4 Transactions between LAWACO and the company that affiliated persons of members of Board of Management, the Board of Supervisors, General Director and other managers are members of Board of Directors or CEOs: None.

3.5 Insider trading: None

3.6 Transactions between LAWACO and affiliated persons of the company; or between LAWACO and major shareholders, internal persons, affiliated persons of internal persons

Name of organization/ individual	Relationship	NSH No., date of issue, place of issue of NSH	Addresses	Time of transaction	Resolution No. of the Board of Directors/ General Meeting of Shareholders	Value	Note
Di Linh	Associate	No.: 5800831	No. 524 Hung	July	Resolution No. 01-	Dividends	List of shareholders

Water Supply and Construction Joint Stock Company (DILIWACO)	<p>Nguyen Hung Cuong was a Board of Directors' members until dismissal on 2024-05-28</p> <p>Do Van Ha was elected as a Board of Directors' members from 2024-05-28</p> <p>Đỗ Văn Hà was dismissed on 2024-11-08</p>	<p>6 (4th amendm ent) date of issue 2023-09-25.</p> <p>Place of issue: Department of Plannin g and Investm ent of Lam Dong Provinc e</p>	<p>Vuong Street, Di Linh Town, Di Linh District , Lam Dong Provinc e</p>	2024	<p>official NQ/ĐHĐ CĐCNDL dated 10/6/2022.</p> <p>Resolution No. 01/2024/NQ/ĐHĐC ĐTN-CNDL dated 2024-05-08.</p> <p>Resolution No. 02/2024/NQ-ĐHCD dated 2024-11-08.</p>	<p>2023: VND 78,310,000</p>	<p>rs receiving 2023 cash dividends from DILIWACO</p> <p>LAWACO fully invests capital at DILIWACO</p>
Duc Trong Water Supply , Drainage and Construction Joint Stock Company	<p>Associate</p> <p>Mr. Nguyen Hung Cuong was a Board of Directors' members until dismissal on 2024-08-15</p> <p>Mr. Do Van Ha was elected as a Board of Directors'</p>	<p>No.: 580970630 (1st amendm ent); date of issue 2018-12-03 place of issue: Departm ent of Plannin g and</p>	<p>No. 81 Nguyen Cong Tru Street, Lien Nghia Town, Duc Trong District , Lam Dong</p>	Quarter 3/2023	<p>Resolution 01/2024/NQ/ĐHC Đ of DUCTRO NGWAC O dated 2024-08-15</p> <p>Resolution 01/2024/NQ/ĐHC Đ of DUCTRO</p>	<p>VND 433,350,000</p>	<p>Dividends 2022.</p> <p>LAWACO fully divests (100%) capital at DUCTRO NGWAC O</p>

(DUC TRON GWAC O)	members from 2024-08-15	Investment of Lam Dong Province	Province		NGWAC O dated 2024-08-15 Resolution 02/2024/N Q-ĐHCD DUCTRO NGWAC O dated 2024-11-15		
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3.7 Other transactions of LAWACO may bring material or non-material benefits for members of Board of Directors, members of the Board of Supervisors, General Director and other managers

No.	Name of organization/ individual	Address	Content of Transactions	Time of transactions
1	Lam Dong Power Company	No. 2 Hung Vuong Street, Ward 9, Da Lat City, Lam Dong Province	Electricity supply	Asually
2	Saigon Dankia Water Supply Corporation	Lat Commune, Lac Duong District, Lam Dong Province	Supply of treated water	Asually
3	The Army Academy	No. 01 Ly Thuong Kiet Street, Ward 9, Da Lat City, Lam Dong Province	Supply of raw water from Chien Thang Reservoir	Asually
4	Lam Dong Investment & Hydraulic Construction Center	4th Floor, Zone B, Provincial Administrative Center, 36 Tran Phu Street, Da Lat City, Lam Dong Province	Supply of raw water from Phat Chi, Dankia, Da Teh, and Madaguoi Reservoirs	Asually

5	Da Lat Center for Investment Management and Hydraulic Construction	No. 29, 3/4 Street, Ward 3, Da Lat City, Lam Dong Province	Supply of raw water from Da Thien Reservoir	Asually
6	Da Huoai District Management Board for Construction Investment and Public Construction	Madagui Town, Da Huoai District, Lam Dong Province	Supply of raw water from the Da M'ri gravity water system	Asually
7	Bien Hoa Chemical Plant - The Branch Of South Basic Chemicals Joint Stock Company	Street No. 5, Bien Hoa Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province	Supply of water treatment chemicals (Chlorine and Javel)	Asually
8	Trung Le Service And Trading Limited Liability Company	177/39, 3/2 Street, Ward 11, District 10, Ho Chi Minh City	Supply of water treatment chemicals (Alum and Soda)	From 01 st January, 2021 to present
9	Thanh Dung Trading Single-member Limited Liability Company	A8/16 Mai Ba Hung, Hamlet 1, Le Minh Xuan Commune, Binh Chanh District, Ho Chi Minh City	Supply of water pipes (HDPE)	From 01 st January, 2021 to present
10	Sai Gon Technology Company Limited.	11/4A Tran Van On, Tan Son Nhi Ward, Tan Phu District, Ho Chi Minh City	Supply of machinery and equipment for water production (pumps, inverters, control panels)	From 01 st January, 2021 to present
11	Phuc Loc Electrical and Water Supply Store	No. 05 Dao Duy Tu, Da Lat City, Lam Dong Province	Supply of materials for the installation of water supply and sewerage systems	From 01 st January, 2021 to present

			and construction tools.	
12	Hawaco Southern Corporation	8th Floor, Room 8.2, E.town 3 Building, No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City	Supply of Itron water meters.	From 01 st January, 2021 to present
13	Bach Viet Technologies Corporation (BAVITECH)	No. 23 Pham Thai Buong, Tan Phong Ward, District 7, Ho Chi Minh City	Supply of materials, equipment, and software for monitoring the water supply network (SCADA system, DMA).	From 01 st January, 2021 to present
14	Arttek Environment Construction Design Company Limited	3rd Floor, An Phu Plaza Building, No. 117-119 Ly Chinh Thang Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City	Supply and installation of steel water treatment modules (capacity: 3,000 m ³ /day and night) at Dinh Van Water Plant, Dinh Van Town, Lam Ha District.	From 28 th June, 2024 to 28 th December, 2024
15	Luu Xuan Thuy Private Enterprise	No. 161, Group 3, Quarter 3, An Hoa Ward, Bien Hoa City, Dong Nai Province	Specialized supply of water filtration materials (sand, gravel, manganese sand, activated carbon, etc.).	From 01 st January, 2022 to present
16	Khue Nam Technology Science Services Company Limited	2/17 Pham Van Bach Street, Ward 15, Tan Binh District, Ho Chi Minh City	Analysis of drinking and domestic water samples under Group B of QCVN 01-1:2018/BYT (80 criteria).	From 22 nd January, 2024 to present (2 times/ year)
17	Phuong Nam Environmental Analysis and Measurement Center	No. 15 Doan Thi Diem Street, Ward 4, Vung Tau City, Ba Ria-Vung Tau Province	Analysis of environmental parameters at the centralized wastewater treatment plant in Da Lat City	From 15 th June, 2021 to present - Wastewater: Once per month.

			and the Company's water treatment plants (as environmental protection laws).	Water supply: Once every six months.
18	Duchung Trading Engineering And Services Co.,Ltd	No. 17/19 Go Dau Street, Tan Quy Ward, Tan Phu District, Ho Chi Minh City	Supply of machinery and equipment for water production (pumps, inverters, high-pressure water valves of various types).	From 19 th January, 2021 to present
19	Phuong Lan Stationery Store	Booth No. 6, Ba Trieu Street, Ward 4, Da Lat City, Lam Dong Province	Supply of all types of materials and office supplies (e.g., printing/copy paper, pens, file covers).	From 15 th June, 2021 to present - Wastewater: Once every three months. Water supply: Once every six months.
20	Gia Hung Phat Water Treatment Company Limited	No. 418 National Highway 20, Lien Nghia Town, Duc Trong District, Lam Dong Province	Preparation of environmental dossiers and applications for water resource exploitation permits for the Company's water plants.	From 2021 to present
21	Nhat Khoi Limited Company	No. 145/5 Ho Tung Mau Street, Ward 1, Bao Loc City, Lam Dong Province	Preparation of dossiers for permits and exploratory drilling of water resources (groundwater in Thanh My and Bao Lam) for the Company's water plants.	From 29 th June, 2023 to present

22	Lam Tri Viet Limited Company	No. 111 Nguyen Van Troi Street, Ward 2, Da Lat City, Lam Dong Province	Supply of thermal printing paper for water bill receipts (mini printers) and work slips.	From 2020 to present
23	Tran Duy Thoai Limited Company	No. 57 Nguyen Van Troi Street, Ward 2, Da Lat City, Lam Dong Province	Supply and repair of office equipment, electronic devices, and information technology equipment.	From 2020 to present
24	Quang Minh Office Machinery Company Limited	Lot 16, Mac Dinh Chi Planning Area, Ward 4, Da Lat City, Lam Dong Province	Supply and repair of office machinery (photocopiers).	From 2020 to present
25	Dat Hoa Plastic Company Limited	Lot C.1-CN, NA4 Street, My Phuoc II Industrial Zone, Ben Cat District, Binh Duong Province	Supply of HDPE and uPVC pipes and fittings.	From 2021 to present
26	Green Chem Services Trading Company Limited	No. 23A An Duong Vuong Street, Ward 2, Da Lat City, Lam Dong Province	Supply of materials and equipment for water industry laboratories.	From June 2023 to present
27	Viet Urban Consulting And Investment Corporation (VUCICO)	No. 250 Nguyen Thi Minh Khai Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City	Supply of water industry materials, including cold water meters (Delta).	From 2019 to present
28	Novo-Viet Tiep Joint Stock Company	Vien Noi Hamlet, Van Noi Commune, Dong Anh District, Hanoi City	Supply of water industry materials, including valves, taps, and accessories.	From October 2023 to present
29	Nguyen Anh Sinh Fire Protection Company	No. 01 Thong Thien Hoc Street, Ward 2, Da Lat City, Lam Dong Province	Supply and installation of lightning protection systems.	From June 2023 to present

	Limited			
30	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 locks; sealing cables (for water meter assemblies).	From March 2020 to present
31	Phong Bich Private Enterprise	Da Chay Hamlet, Da Nhim Commune, Lac Duong District, Lam Dong Province	Supply of construction materials: cement, sand, stone, etc. (for construction and repair of water supply systems).	From March 2023 to present
32	Khanhhoa Environment Joint Stock Company	Ninh Ich Hamlet, Ninh An Commune, Ninh Hoa Town, Khanh Hoa Province	Collection, transportation, and treatment of hazardous waste generated by the Company.	From October 2024 to present
33	Quality Assurance Of Vietnam Company Limited	Room 406, 4th Floor, 130 Nguyen Duc Canh Building, Tuong Mai Ward, Hoang Mai District, Hanoi City	Calibration of the Company's laboratory (LAB) equipment.	From February 2023 to present

VI. Financial Statements

(according to attached Appendix)

Da Lat, March 17, 2025

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE

(Signature, full name and seal)

GENERAL DIRECTOR



NGUYEN HUNG CUONG

LAM DONG WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY

AUDITED COMBINED FINANCIAL STATEMENTS
For the year ended 31 December 2024



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3
COMBINED BALANCE SHEET	4 - 6
COMBINED STATEMENT OF INCOME	7
COMBINED STATEMENT OF CASH FLOWS	8
NOTES TO THE COMBINED FINANCIAL STATEMENTS	9 - 37



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 2024.

THE BOARDS OF DIRECTORS, SUPERVISORY, AND MANAGEMENT

The members of the Board of Directors, Board of Supervisory, and Board of Management of the Company 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 Supervisory

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 of the Company during the year and as of the date of this report is Mr. Nguyen Hung Cuong - General Director.

AUDITORS

The combined financial statements for the year ended 31 December 2024 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 2024, 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.

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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,



Nguyen Hung Cuong
General Director

Lam Dong, 04 March 2025



No. 2049/2025/BCKT-ICPA.SG

INDEPENDENT AUDITORS' REPORT

To: The Shareholders
The Board of Directors and 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 04 March 2025, as set out from page 4 to page 37, which comprise the combined Balance Sheet as at 31 December 2024, the combined Statement of Income, and 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 in all material respects of the combined financial position of the Company as at 31 December 2024 and the results of its combined operations 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 Toàn
Deputy Branch Director
Audit Practising Registration Certificate
No. 2767-2024-072-1

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

Ho Chi Minh City, 04 March 2025

COMBINED BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	31/12/2024	01/01/2024
A. CURRENT ASSETS	100		89,887,963,601	648,388,717,645
I. Cash and cash equivalents	110		38,574,107,095	38,871,824,358
1. Cash	111	V.1	38,574,107,095	38,871,824,358
II. Short-term financial investments	120		13,839,258,639	555,000,000,000
1. Held-to-maturity investments	123	V.10	13,839,258,639	555,000,000,000
III. Short-term receivables	130		29,838,009,793	46,493,335,806
1. Short-term trade receivables	131	V.2	5,619,374,159	5,234,250,609
2. Short-term advances to suppliers	132	V.3	605,216,406	1,254,584,079
3. Short-term loan receivables	136	V.4	27,641,994,229	43,966,315,119
4. Other short-term receivables	137	V.5	(4,028,575,001)	(3,961,814,001)
IV. Inventories	140	V.6	7,636,588,074	8,003,723,481
1. Inventories	141		11,108,353,507	11,103,236,647
2. Provision for devaluation of inventories	149		(3,471,765,433)	(3,099,513,166)
V. Other short-term assets	150		-	19,834,000
1. Short-term prepayments	151	V.11	-	19,834,000

COMBINED BALANCE SHEET (continued)
As at 31 December 2024


Unit: VND


ASSETS	Codes	31/12/2024	01/01/2024
B. NON-CURRENT ASSETS	200	1,107,938,472,950	528,108,301,857
I. Fixed assets	220	436,786,389,427	446,366,670,936
1. Tangible fixed assets	221 V.7	435,150,000,891	445,025,146,054
- Cost	222	1,051,140,694,197	1,022,242,063,204
- Accumulated depreciation	223	(615,990,693,306)	(577,216,917,150)
2. Intangible fixed assets	227 V.8	1,636,388,536	1,341,524,882
- Cost	228	2,558,591,000	2,108,591,000
- Accumulated amortization	229	(922,202,464)	(767,066,118)
II. Long-term assets in progress	240	2,583,504,908	1,476,219,649
1. Long-term construction in progress	242 V.9	2,583,504,908	1,476,219,649
III. Long-term financial investments	250	653,220,000,000	63,345,252,238
1. Investments in joint-ventures, associates	252 V.10	-	11,125,252,238
2. Held-to-maturity investments	255 V.10	653,220,000,000	52,220,000,000
IV. Other long-term assets	260	15,348,578,615	16,920,159,034
1. Long-term prepayments	261 V.11	8,889,010,916	10,637,879,499
2. Deferred tax assets	262 V.12	759,637,057	449,615,593
3. Long-term equipment, supplies and spare parts	263 V.13	5,699,930,642	5,832,663,942
TOTAL ASSETS (270 = 100 + 200)	270	1,197,826,436,551	1,176,497,019,502

COMBINED BALANCE SHEET (continued)
As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	31/12/2024	01/01/2024
C. LIABILITIES	300		229,116,313,324	244,243,954,472
I. Current liabilities	310		67,129,451,483	59,490,167,394
1. Short-term trade payables	311	V.14	12,559,524,866	12,268,322,486
2. Short-term advances from customers	312	V.15	477,556,514	519,803,287
3. Taxes and amounts payable to the State budget	313	V.16	8,865,696,549	7,045,914,077
4. Payables to employees	314		9,545,493,678	8,277,548,161
5. Short-term accrued expenses	315	V.17	3,497,894,566	3,518,824,938
6. Other current payables	319	V.18	1,622,279,113	1,384,991,000
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	7,767,327,958	3,681,085,206
II. Long-term liabilities	330		161,986,861,841	184,753,787,078
1. Other long-term payables	337	V.18	505,517,706	478,764,717
2. Long-term loans and obligations under finance leases	338	V.19	161,481,344,135	184,275,022,361
D. EQUITY	400		968,710,123,227	932,253,065,030
I. Owner's equity	410	V.21	968,710,123,227	932,253,065,030
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		22,107,785,803	6,296,555,117
5. Retained earnings	421		99,701,980,942	79,056,153,431
- Retained earnings accumulated to the prior year end	421a		-	-
- Retained earnings of current year	421b		99,701,980,942	79,056,153,431
6. Construction investment fund	422		11,330,524,372	11,330,524,372
TOTAL RESOURCES (440 = 300 + 400)			1,197,826,436,551	1,176,497,019,502


Tran Thi Tuyet Ngoc
Preparer


Bui Hoang Trung Vi
Chief Accountant


Nguyen Hung Cuong
General Director

04 March 2025

COMBINED STATEMENT OF INCOME

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	2024	2023
1. Gross revenue from goods sold and services rendered	01	VI.1	319,686,229,615	297,054,246,958
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		319,686,229,615	297,054,246,958
4. Cost of sales	11	VI.2	228,189,224,122	219,312,705,668
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		91,497,005,493	77,741,541,290
6. Financial income	21	VI.3	69,321,134,697	55,466,965,061
7. Financial expenses	22	VI.4	13,146,708,517	13,900,569,390
- In which: Interest expense	23		12,555,962,887	13,900,569,390
8. Selling expenses	25	VI.5	4,198,670,709	4,095,153,325
9. General and administration expenses	26	VI.6	18,258,831,871	16,633,568,803
10. Operating profit [30 = 20 + (21 - 22) - (25 + 26)]	30		125,213,929,093	98,579,214,833
11. Other income	31	VI.7	619,308,666	1,865,311,076
12. Other expenses	32	VI.7	1,161,724,397	1,561,022,819
13. (Loss)/Profit from other activities (40 = 31 - 32)	40	VI.7	(542,415,731)	304,288,257
14. Accounting profit before tax (50 = 30 + 40)	50		124,671,513,362	98,883,503,090
15. Current corporate income tax expense	51	VI.8	25,279,553,884	20,055,159,621
16. Deferred corporate tax income	52	V.12	(310,021,464)	(227,809,962)
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		99,701,980,942	79,056,153,431
18. Basic earnings per share	70	VI.9	901	711

Tran Thi Tuyet Ngoc
Preparer

Bui Hoang Trung Vi
Chief Accountant



Nguyen Hung Cuong
General Director


04 March 2025


COMBINED STATEMENT OF CASH FLOWS*(Direct method)*

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	2024	2023
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Cash received from sales of goods and services	01	345,925,385,987	322,129,215,691
2. Cash paid to suppliers for goods and services	02	(150,820,547,637)	(141,453,577,300)
3. Cash paid to employees	03	(51,009,053,731)	(47,991,240,655)
4. Cash paid for interest expenses	04	(12,730,507,260)	(14,062,176,491)
5. Cash paid for corporate income tax	05	(22,959,785,718)	(23,428,978,597)
6. Other cash inflows	06	12,408,781,896	11,521,402,613
7. Other cash outflows	07	(64,399,560,871)	(60,042,735,406)
Net cash generated from operating activities	20	56,414,712,666	46,671,909,855
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(31,038,388,932)	(15,852,186,859)
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	(615,656,541,938)	(579,670,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	555,839,258,639	550,860,000,000
5. Cash recovered from investments in other entities	26	26,435,003,200	-
6. Interest, dividends and profits received	27	70,254,417,321	54,608,878,777
Net cash generated from investing activities	30	6,269,248,290	9,946,691,918
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Repayments of borrowings	34	(22,793,678,219)	(22,793,678,224)
2. Dividends and profits paid	36	(40,188,000,000)	(29,786,400,000)
Net cash used in financing activities	40	(62,981,678,219)	(52,580,078,224)
Net (decrease)/increase in cash and cash equivalents (50 = 20 + 30 + 40)	50	(297,717,263)	4,038,523,549
Cash and cash equivalents at the beginning of the year	60	38,871,824,358	34,833,300,809
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	38,574,107,095	38,871,824,358


Tran Thi Tuyet Ngoc
Preparer


Bui Hoang Truong Vi
Chief Accountant


Nguyen Hung Cuong
General Director

04 March 2025

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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 Planning and Investment of Lam Dong Province and the latest 11th amendment dated 30 December 2024 due to changes in personal information of the legal representative of the Company.

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

The head office of the Company is located at 50 Hung Vuong, Ward 9, Da Lat city, 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 of 31 December 2024 and 01 January 2024 is about 371 and 367 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 2024

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.

The Company's operational characteristics during year impacting on the combined financial statements

Pursuant to the Resolution 05/2024/NQHĐQT of the Board of Directors dated 15 May 2024, the Company divested all its investments in Di Linh Water Supply and Construction Joint Stock Company and Duc Trong Water Supply, Drainage and Construction Joint Stock Company (see details in Note V.10).

Company's structure

The Company's affiliated units include:

Affiliated units	Address
Lam Ha Water Plant	Dinh Van Town, Lam Ha District, Lam Dong Province
Bao Lam Water Plant	Loc Thang Town, Bao Lam District, Lam Dong Province
Da Teh Water Plant	6A Quarter, Da Teh District, Lam Dong Province
Don Duong Water Plant	Thanh My Town, Don Duong District, Lam Dong Province
Da Huoai Water Plant	Madaguoi Town, Da Huoai District, Lam Dong Province
Dam Rong Water Plant	Bang Lang Town, Dam Rong District, Lam Dong Province
Wastewater treatment plant	Da Lat City, Lam Dong Province
Water Supply and Drainage consulting plant	Da Lat City, Lam Dong Province
Water Supply and Drainage Construction plant	Da Lat City, Lam Dong Province
Hydrometer Management Enterprise	Da Lat City, Lam Dong Province

Disclosure of information comparability in the combined financial statements

The Board of Management ensure to comply with accounting policies and regulations according to the Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises and Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of 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. Therefore, information and accounting data presented in the combined financial statements are 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 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

II. ACCOUNTING CONVENTION AND ACCOUNTING YEAR (continued)**Accounting convention** (continued)

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.

III. ACCOUNTING STANDARD 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.

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' 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.

Financial investmentsHeld-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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

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.

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.

Investments in associates

An associate is an entity over which the Company has significant influence but is not a subsidiary or joint venture of the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in associates are initially recognized at cost. The Company's share of net profit of the investee after the acquisition is recognized in the income statement. Any distribution other than post-acquisition profit from the investee is accounted for as recovery of investment so it shall be recorded as a deduction from historical cost. When the investors have the right to receive stock dividends, they only record the number of additional shares, not recording an increase in the value of investments and income from stock dividends.

Investments in associates are presented in the combined balance sheet at cost less provision for impairment.

Provisions for impairment of investments in associates are made when the investee suffers a loss which may cause the Company losing its investment capital or when there is reliable evidence of diminution in value of those investments on the balance sheet date. If the investee prepares consolidated financial statements, the basis for making provision is the loss presented in the consolidated financial statements.

An increase or decrease in allowance for diminution in value of investments in associates at closing date is recognized as financial expense for the year.

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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labor 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.

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

	<u>Years</u>
Buildings and structures	6 - 50
Machinery and equipment	5 - 20
Motor vehicles	6 - 30
Office equipment	5 - 10
Other tangible fixed assets	4 - 25

Tangible fixed assets are revalued when state-owned enterprises are equitised. 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 period 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/m³ 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.

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 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 period.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

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:

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

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:

- (a) 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;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) 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.

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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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

Earnings per share

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.

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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET

1. Cash	31/12/2024 VND	01/01/2024 VND
Cash on hand	73,085,690	161,938,966
Demand bank deposits	38,501,021,405	38,709,885,392
Total	38,574,107,095	38,871,824,358
2. Short-term trade receivables	31/12/2024 VND	01/01/2024 VND
Receivables from customers using clean water	2,117,470,920	2,272,662,365
Da Lat Investment Management and Irrigation Works Operation Center	2,550,288,718	2,256,389,653
Other customers	951,614,521	705,198,591
Total	5,619,374,159	5,234,250,609
3. Short-term trade payables	31/12/2024 VND	01/01/2024 VND
Nguyen Anh Sinh Company Limited	282,852,000	-
Lam Dong Consultant Joint Stock Company for Construction of Sewerage and Water Supply	164,882,000	206,195,000
Hoang Lam Da Lat Construction Company Limited	98,512,405	-
Viet Thanh Son Company Limited	-	992,314,078
Other suppliers	58,970,001	56,075,001
Total	605,216,406	1,254,584,079
4. Other receivables	31/12/2024 VND	01/01/2024 VND
Interest receivable from time deposits	23,478,937,839	39,721,961,425
Drainage and Wastewater Treatment Project Management Unit (i)	2,262,265,614	2,262,265,200
Remuneration advanced to the Board of Directors (ii)	1,010,240,000	918,080,000
Deposits, pledges and mortgages	221,380,000	-
Other receivables	669,170,776	1,064,008,494
Total	27,641,994,229	43,966,315,119

(i) This represents a management cost exceeding the norm of the Drainage and Wastewater Treatment Project Management Board. Based on the Board of General Directors' assessment of recoverability, the Company has made provisions for the entire value of this receivable in previous financial years.

(ii) This represents remuneration advanced to the Company's Board of Directors. This remuneration will be deducted from undistributed after-tax profits for 2024 after being approved by the General Meeting of Shareholders.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**5. Bad debt**

	31/12/2024			01/01/2024		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Short-term trade receivables	1,766,309,801	-	(1,766,309,801)	1,699,548,801	-	(1,699,548,801)
Other short-term receivables	2,262,265,200	-	(2,262,265,200)	2,262,265,200	-	(2,262,265,200)
Total	4,028,575,001	-	(4,028,575,001)	3,961,814,001	-	(3,961,814,001)

Movements in provision for bad debts are as follows:

	2024 VND	2023 VND
Opening balance	(3,961,814,001)	(5,104,960,760)
(Additional)/Reversal of provision made for the year	(66,761,000)	1,143,146,759
Closing balance	(4,028,575,001)	(3,961,814,001)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**6. Inventories**

	31/12/2024		01/01/2024	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	9,737,232,268	(3,471,765,433)	9,508,019,133	(3,099,513,166)
Tools and supplies	1,341,433,723	-	1,558,566,733	-
Work in progress	29,687,516	-	36,650,781	-
Total	11,108,353,507	(3,471,765,433)	11,103,236,647	(3,099,513,166)

Movements in provision for devaluation of inventories are as follows:

	2024 VND	2023 VND
Opening balance	(3,099,513,166)	(2,336,333,584)
Additional provision made for the year	(372,252,267)	(763,179,582)
Closing balance	(3,471,765,433)	(3,099,513,166)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**7. Tangible fixes assets**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles and transmission systems VND	Office equipment VND	Other tangible fixed assets VND	Total VND
Cost						
As at 01/01/2024	208,254,469,965	67,448,981,822	658,120,004,914	45,421,582,054	42,997,024,449	1,022,242,063,204
Purchases during the year	1,306,935,477	978,293,037	7,286,145,768	3,327,014,053	508,892,500	13,407,280,835
Transfer from construction in progress	4,113,898,267	1,722,478,474	8,926,519,921	2,127,063,754	30,479,106	16,920,439,522
Reclassification	3,332,040,333	(1,057,805,933)	(3,721,298,953)	1,447,064,553	-	-
Disposal during the year	-	-	(1,429,089,364)	-	-	(1,429,089,364)
As at 31/12/2024	217,007,344,042	69,091,947,400	669,182,282,286	52,322,724,414	43,536,396,055	1,051,140,694,197
Accumulated depreciation						
As at 01/01/2024	128,661,961,071	33,261,578,264	369,141,252,023	30,068,627,734	16,083,498,058	577,216,917,150
Charged for the year	7,534,652,337	4,690,976,372	21,699,938,999	4,512,995,546	1,764,302,266	40,202,865,520
Disposal during the year	-	-	(1,429,089,364)	-	-	(1,429,089,364)
As at 31/12/2024	136,196,613,408	37,952,554,636	389,412,101,658	34,581,623,280	17,847,800,324	615,990,693,306
Net book value						
As at 01/01/2024	79,592,508,894	34,187,403,558	288,978,752,891	15,352,954,320	26,913,526,391	445,025,146,054
As at 31/12/2024	80,810,730,634	31,139,392,764	279,770,180,628	17,741,101,134	25,688,595,731	435,150,000,891

The historical cost of tangible fixed assets that have been fully depreciated but still in use as of 31 December 2024 and as of 01 January 2024 are VND 222,505,829,626 and VND 28,922,396,630, respectively.

The Company has pledged certain assets as collateral for loans under agreements with the Ministry of Finance. The remaining value of the mortgaged assets as of 31 December 2024 and as of 01 January 2024 is VND 263,505,731,349 and VND 280,446,352,759, respectively (see details in Note V.19).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET
(continued)**8. Intangible fixes assets**

	Land use rights VND	Software program VND	Total VND
Cost			
As at 01/01/2024	737,591,000	1,371,000,000	2,108,591,000
Purchases during the year	-	450,000,000	450,000,000
As at 31/12/2024	737,591,000	1,821,000,000	2,558,591,000
Accumulated amortisation			
As at 01/01/2024	209,325,571	557,740,547	767,066,118
Charged for the year	14,792,236	140,344,110	155,136,346
As at 31/12/2024	224,117,807	698,084,657	922,202,464
Net book value			
As at 01/01/2024	528,265,429	813,259,453	1,341,524,882
As at 31/12/2024	513,473,193	1,122,915,343	1,636,388,536

9. Long-term construction in progress

	31/12/2024 VND	01/01/2024 VND
Water supply pipeline renovation project	2,429,402,126	1,379,779,649
Other projects	154,102,782	96,440,000
Total	2,583,504,908	1,476,219,649

Movements in construction in progress are as follows:

	2024 VND	2023 VND
Opening balance	1,476,219,649	748,686,373
Increase during the year	22,242,627,482	13,112,225,463
Transfer to tangible asset	(16,920,439,522)	(8,394,986,368)
Transfer to prepayment	(3,096,645,039)	(3,088,594,859)
Charge to expenses	(1,118,257,662)	(901,110,960)
Closing balance	2,583,504,908	1,476,219,649

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**10. Financial investments****a) Held-to-maturity investments**

	31/12/2024		01/01/2024	
	Cost VND	Carrying amount VND	Cost VND	Carrying amount VND
Short-term				
Time deposit	13,839,258,639	13,839,258,639	555,000,000,000	555,000,000,000
Long-term				
Time deposit	653,220,000,000	653,220,000,000	52,220,000,000	52,220,000,000
Total	667,059,258,639	667,059,258,639	607,220,000,000	607,220,000,000

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-DHĐCĐ dated 20 June 2019. The money is currently being deposited at Nam A Commercial Joint Stock Bank - Lam Dong with terms ranging from over 3 months to 60 months and bearing interest rates for the year fluctuating from 5.7% to 10% per annum.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**10. Financial investments** (continued)**b) Investments in associates**

	31/12/2024			01/01/2024		
	Holding shares	Cost VND	Provision VND	Holding shares	Cost VND	Provision VND
Di Linh Water Supply and Construction JSC.	-	-	-	583,474	5,658,526,204	-
Duc Trong Water Supply, Drainage and Construction JSC.	-	-	-	433,350	5,466,726,034	-
Total		<u>-</u>	<u>-</u>		<u>11,125,252,238</u>	<u>-</u>

Pursuant to the Resolution 05/2024/NQHĐQT of the Board of Directors dated 15 May 2024, the Company divested the affiliated companies herein. An asset auction was organized by the Company through the Asset Auction Service Center of Lam Dong Province on 23 September 2024. Subsequently, entire of 583,474 shares of Di Linh Water Supply and Construction Joint Stock Company was transferred at the price of VND 6,934,993,200 (VND 11,886 per share) by the auction asset purchase contract No. 66/2024/HDMB-TCCN dated 24 September 2024, and entire of 433,350 shares of Duc Trong Water Supply, Drainage and Construction Joint Stock Company was also sold at the price of VND 19,500,000,000 (VND 44,998 per share) according to the auction asset purchase contract No. 67/2024/HDMB-TCCN dated 24 September 2024. The selling price is based on the appraised asset value. By 31 December 2024, the Company has completed legal procedures related to the transfer of shares to the buyers.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET
(continued)**11. Prepayment**

	31/12/2024 VND	01/01/2024 VND
a. Short-term		
Water exploitation licensing fees	-	19,834,000
b. Long-term		
Additional value from revaluation of distribution pipeline systems (i)	6,633,775,071	8,538,058,739
Tools and supplies issued for consumption	2,188,413,314	2,099,820,760
Cost of installing water meters and distribution pipeline systems	66,822,531	-
Total	8,889,010,916	10,637,879,499
Total	8,889,010,916	10,657,713,499

(i) This represents the additional value from revaluation of distribution pipeline system according to the enterprise valuation file during the equitization process. The Company allocates this cost over a period of 10 years. As of 31 December 2024, the Company has allocated this cost to production costs for 6 years.

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

	2024 VND	2023 VND
Opening balance	10,637,879,499	12,536,949,897
Increase during the year	1,091,094,163	1,301,660,395
Transfer from construction in progress	1,116,467,682	756,642,510
Allocate for the year	(3,956,430,428)	(3,957,373,303)
Closing balance	8,889,010,916	10,637,879,499

12. Deferred tax assets

	Provision for devaluation of inventories VND
As at 01/01/2023	221,805,631
Charge to profit or loss	227,809,962
As at 01/01/2024	449,615,593
Charge to profit or loss	310,021,464
As at 31/12/2024	759,637,057

Corporate income tax rate used to calculate deferred tax

20%

The Company recognizes 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 2024, have been excluded from deductible expenses in the corporate income tax finalization, with a total value of VND 3,798,185,285. 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 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**13. Long-term reserved spare parts**

	31/12/2024			01/01/2024		
	Cost VND	Provision VND	Net realizable value VND	Cost VND	Provision VND	Net realizable value VND
Long-term reserved spare parts	6,597,251,524	(897,320,882)	5,699,930,642	5,832,663,942	-	5,832,663,942

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET
(continued)**14. Short - term trade payables**

	31/12/2024	01/01/2024
	<i>Carrying amount</i>	<i>amount able to be paid off</i>
	VND	VND
Sai Gon Dan Kia Water Supply Corporation	11,068,017,786	10,762,555,952
Lam Dong Irrigation Investment & Exploitation Management Center	772,672,500	749,204,460
Other suppliers	718,834,580	756,562,074
Total	12,559,524,866	12,268,322,486

The amount due to Sai Gon Dan Kia Water Supply Corporation present the cost of purchasing clean water in November and December 2024 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

	31/12/2024	01/01/2024
	VND	VND
DL Royal Joint Stock Company	200,343,892	200,343,892
Petrolimex Lam Dong commercial and service Joint-Stock	137,994,613	-
Customer installing distribution pipes	81,597,911	21,527,895
Public Works Investment and Construction Project Management Board	-	98,039,500
Other customers	57,620,098	199,892,000
Total	477,556,514	519,803,287

16. Taxes and amounts payable to the State budget

	01/01/2024	Payable during the year	Payment during the year	31/12/2024
	VND	VND	VND	VND
Value added tax	556,467,989	7,489,249,040	8,009,735,311	35,981,718
Corporate income tax	4,498,128,029	25,279,553,884	22,959,785,718	6,817,896,195
Personal income tax	198,031,886	1,430,228,378	1,442,198,247	186,062,017
Environmental protection fees	1,701,478,747	21,953,110,568	21,923,253,309	1,731,336,006
Natural resource tax	91,807,426	1,139,197,196	1,136,584,009	94,420,613
Land rental	-	369,488,321	369,488,321	-
Business license ta:	-	15,000,000	15,000,000	-
Total	7,045,914,077	57,675,827,387	55,856,044,915	8,865,696,549

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET
(continued)**17. Short-term accrued expenses**

	31/12/2024 VND	01/01/2024 VND
Interest expense	1,459,224,611	1,633,768,984
Environmental protection and wastewater costs	2,019,987,954	1,885,055,954
Other accrued expenses	18,682,001	-
Total	3,497,894,566	3,518,824,938

18. Other current payables

	31/12/2024 VND	01/01/2024 VND
a. Current payables		
Payables on equitization	839,258,639	817,283,299
Other payables	783,020,474	567,707,701
Total	1,622,279,113	1,384,991,000
b. Non-current payables		
Deposits received	505,517,706	478,764,717
Total	2,127,796,819	1,863,755,717



NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET (continued)**19. Short-term loans and obligations under finance leases**

	31/12/2024	Arising during the year		01/01/2024
	Carrying amount is also amount able to be paid off VND	Borrowing VND	Repayment VND	Carrying amount is also amount able to be paid off VND
a. Short-term loans				
Current portion of long-term loan (see in Note b)	22,793,678,239			22,793,678,239
b. Long-term loans				
Loan financing for Da Lat city water supply project (i)	151,485,104,034	-	16,831,678,226	168,316,782,260
Loan financing for Lam Dong province water supply subproject (ii)	32,789,918,340	-	5,962,000,000	38,751,918,340
Less: Amount due for settlement in 12 months	(22,793,678,239)			(22,793,678,239)
Total	161,481,344,135			184,275,022,361
Total of loans	184,275,022,374	-	22,793,678,226	207,068,700,600

(i) Loan financing for Da Lat city 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, Ward 9, Da Lat City, 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 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 Tan Ha Town (Lam Ha District), Nam Ban Town (Lam Ha District), Madagui Town (Da Huoai District), Dam Bri Town (Da Huoai District), D'ran Town (Don Duong District), and Bang Lang Town (Dam Rong District), 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, Madagui, Dam Bri, D'ran, and Bang Lang) under the Vietnam urban water supply development project.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE COMBINED BALANCE SHEET
(continued)**19. Short-term loans and obligations under finance leases** (continued)

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

	31/12/2024	01/01/2024
	VND	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	70,306,631,173	93,100,309,399
Total	184,275,022,374	207,068,700,600
Less: Amount due for settlement in 12 months	(22,793,678,239)	(22,793,678,239)
Amount payable after 12 months	161,481,344,135	184,275,022,361

20. Bonus and welfare funds

	31/12/2024	01/01/2024
	VND	VND
Opening balance	3,681,085,206	1,215,198,457
Appropriation of funds during the year	21,679,322,745	17,008,923,195
Utilization of funds during the year	(17,593,079,993)	(14,543,036,446)
Closing balance	7,767,327,958	3,681,085,206

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE BALANCE SHEET (continued)**21. Owner's equity****a) Movement of owner's equity**

	Owner's contributed capital VND	Share premium VND	Other owner's capital VND	Investment and development fund VND	Retained earnings VND	Construction investment fund VND	Total VND
As at 01/01/2023	788,000,000,000	28,512,122,705	16,853,160,429	-	56,674,027,288	11,330,524,372	901,369,834,794
Net profit for the year	-	-	-	-	79,056,153,431	-	79,056,153,431
Dividend paid	-	-	-	-	(29,786,400,000)	-	(29,786,400,000)
Appropriation of bonus and welfare fund	-	-	-	-	(17,008,923,195)	-	(17,008,923,195)
Appropriation of investment and development fund	-	-	-	8,501,104,093	(8,501,104,093)	-	-
Remuneration of the executive board	-	-	-	-	(1,377,600,000)	-	(1,377,600,000)
Construction of assets using development investment funds	-	-	2,204,548,976	(2,204,548,976)	-	-	-
As at 01/01/2024	788,000,000,000	28,512,122,705	19,057,709,405	6,296,555,117	79,056,153,431	11,330,524,372	932,253,065,030
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 a Remuneration of the executive board	-	-	-	15,811,230,686	(15,811,230,686)	-	-
	-	-	-	-	(1,377,600,000)	-	(1,377,600,000)
As at 31/12/2024	788,000,000,000	28,512,122,705	19,057,709,405	22,107,785,803	99,701,980,942	11,330,524,372	968,710,123,227

The appropriation of bonus and welfare funds, and investment and development fund and remuneration for the Board of Directors and Supervisory for 2023 are carried out in accordance with the Resolution No. 01/2024/NQ-DHDCD of the 2024 Annual General Meeting of Shareholders dated 22 April 2024.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

V. INFORMATION SUPPLEMENTING IN THE ITEMS IN THE BALANCE SHEET (continued)**21. Owner's equity** (continued)**b) Detail of owner's contributed capital**

Name of shareholders	As at 31/12/2024 and 01/01/2024		
	Number of shares	Proportion (%)	Carrying amount VND
State Capital Investment Corporation	31,512,924	39.99%	315,129,240,000
Ms. Truong Thi My An	13,975,893	17.74%	139,758,930,000
Thuy Anh Water Supply Sewerage Joint Stock Company	12,502,601	15.87%	125,026,010,000
Mesa Asia Pacific Trading Services Company Limited	10,735,182	13.62%	107,351,820,000
Golden Stream Joint Stock Company	9,000,000	11.42%	90,000,000,000
Other shareholders	1,073,400	1.36%	10,734,000,000
Total	78,800,000	100.00%	788,000,000,000

c) Shares

	31/12/2024 Shares	01/01/2024 Shares
Number of shares authorized to be issued	78,800,000	78,800,000
Number of shares issued to the public + <i>Ordinary shares</i>	78,800,000	78,800,000
Number of outstanding shares in circulation + <i>Ordinary shares</i>	78,800,000	78,800,000
Par value is of VND 10,000/share	78,800,000	78,800,000

d) Dividends

According to the Resolution No. 01/2024/NQ-DHDCD of the 2024 Annual General Meeting of Shareholders dated 22 April 2024, the dividend for 2023 was approved with a total amount of VND 40,188,000,000, equivalent to 378 VND per share.

The planned dividend for 2024 is expected to be paid at a rate of 4.35% or higher, equivalent to VND 435 per share. The final dividend payment will be approved at the Annual General Meeting of Shareholders in the following year.

22. Off-balance sheet**a) Foreign currencies**

	31/12/2024 Currency	01/01/2024 Currency
US Dollar (USD)	67.15	67.15

b) Bad debt written off

	31/12/2024 VND	01/01/2024 VND
Water receivables incurred prior 1999	23,958,182	23,958,182
Other receivables	13,578,000	13,578,000
Total	37,536,182	37,536,182

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT

1. Revenue from goods sold and services rendered	2024 VND	2023 VND
Revenue from supplying clean water	291,335,393,098	269,688,674,080
Revenue from wastewater treatment	19,315,104,870	18,416,339,161
Revenue from construction and installation of water supply systems	7,808,891,099	8,112,460,038
Other revenue	1,226,840,548	836,773,679
Total	319,686,229,615	297,054,246,958
2. Cost of sales	2024 VND	2023 VND
Cost of clean water supplied	203,089,436,820	195,506,526,299
Cost of wastewater treatment	16,157,628,384	14,965,685,025
Cost of construction and installation of water supply system	6,675,886,137	6,649,953,097
Other cost of sales	996,699,632	1,044,084,067
Provision for devaluation of inventories	1,269,573,149	1,146,457,180
Total	228,189,224,122	219,312,705,668
3. Financial income	2024 VND	2023 VND
Bank interest income	53,326,393,735	55,033,615,061
Gains on divestment of associates	15,309,740,962	-
Profits and dividends received	685,000,000	433,350,000
Total	69,321,134,697	55,466,965,061
4. Financial expenses	2024 VND	2023 VND
Interest expense	12,555,962,887	13,900,569,390
Disposal expense of associates	590,745,630	-
Total	13,146,708,517	13,900,569,390

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT
(continued)**5. Selling expenses**

	2024 VND	2023 VND
Connection maintenance expenses	4,133,468,134	4,058,068,383
Outsourced service expenses and other monetary expenses	65,202,575	37,084,942
Total	4,198,670,709	4,095,153,325

6. General and administration expenses

	2024 VND	2023 VND
Labour cost	3,915,033,610	5,245,177,868
Tools and stationary expenses	485,550,782	222,407,598
Depreciation of fixed assets	446,533,004	406,881,295
Tax, duties and fees	260,913,011	182,647,491
Provision for bad debts	66,761,000	282,799,188
Outsourced service expenses and other monetary expenses	13,084,040,464	10,293,655,363
Total	18,258,831,871	16,633,568,803

7. Other incomes and other expenses

	2024 VND	2023 VND
Other income		
Income from disposal of fixed assets	375,818,091	-
Recovery of costs of the Drainage and Wastewater Treatment Project Management Board	-	1,425,945,947
Income from leasing transmission pipeline	-	227,272,728
Other income	243,490,575	212,092,401
Total	619,308,666	1,865,311,076
Other expense		
Depreciation of unused assets	1,058,024,024	1,043,623,849
Compensation expense	-	286,158,577
Expenses for penalty	3,604,694	144,829,142
Other expenses	100,095,679	86,411,251
Total	1,161,724,397	1,561,022,819
Other (Loss)/Profit	(542,415,731)	304,288,257

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE COMBINED INCOME STATEMENT
(continued)**8. Current corporate income tax expense**

	2024 VND	2023 VND
Accounting profit before tax	124,671,513,362	98,883,503,090
Adjustments for taxable income:	-	-
Add back: Non-deductible expenses	2,411,256,057	2,956,960,165
Less: Non-assessable income	(685,000,000)	(2,027,612,818)
Taxable income	126,397,769,419	99,812,850,437
Loss carried forward	-	-
Assessable income	126,397,769,419	99,812,850,437
Reversal of Science and Technology Development Fund	-	154,127,608
Normal tax rate	20%	20%
Adjustments for corporate income tax of prior year	-	61,764,012
Current corporate income tax expense	25,279,553,884	20,055,159,621

9. Production cost by nature

	2024 VND	2023 VND
Material cost	113,328,462,080	108,407,598,822
Labour cost	63,767,099,946	59,648,419,983
Depreciation of fixed assets	39,299,977,841	41,410,103,009
Connection maintenance expenses	4,133,468,134	4,058,068,383
Provision expenses	1,336,334,149	1,429,256,368
Outsourced service expenses and other monetary expenses	28,781,384,552	25,087,981,231
Total	250,646,726,702	240,041,427,796

10. Basic earnings per share

	2024 VND	2023 VND
Net profit after corporate income tax	99,701,980,942	79,056,153,431
Less: Amount appropriated for Bonus and welfare funds and remuneration and rewards for the executive board	(28,702,525,325)	(23,056,922,745)
Earnings for the purposes of calculating basic earnings per share	70,999,455,617	55,999,230,686
Weighted average of shares outstanding in the period	78,800,000	78,800,000
Basic earnings per share	901	711

The profit used to calculate basic earnings per share for the comparative period has been adjusted from the figures presented in the combined financial statements for the prior year to reflect the impact of official decision of profit distribution for 2023 according to the Resolution No. 01/2024/NQ-DHĐCĐ of the 2024 Annual General Meeting of Shareholders 22 dated April 2024.

The provisions for the bonus and welfare funds, and remuneration and rewards for the executive bonuses for this period, which is deducted from the profit for calculating basic earnings per share, are estimated based on the profit distribution plan for 2024 that the Company's General Director is going to present to the Shareholders in the upcoming Annual General Meeting.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

VII. OTHER INFORMATION**1. Related parties**

<u>List of related parties</u>	<u>Relationship</u>
Mr. Phan Dinh Tan	Chairman
Mr. Nguyen Hung Cuong	Member cum General Director
Mr. Tran Quoc Hung	Member
Mr. Do Van Ha	Member
Mr. Nguyen Van Dung	Member cum Deputy General Director

Details of significant transactions with related parties during the year are as follows:

	2024	2023
	VND	VND
Dividends received		
Duc Trong Water Supply, Drainage and Construction JSC.	606,690,000	433,350,000
Di Linh Water Supply and Construction JSC.	78,310,000	-

Remunerations for the Boards of Directors, Management and Supervisory during the year:

<u>Name</u>	<u>Position</u>	2024	2023
		VND	VND
The Boards of Directors and Management			
Mr. Phan Dinh Tan	Chairman	639,791,875	602,393,416
	Member cum General		
Mr. Nguyen Hung Cuong	Director	1,547,634,552	1,318,376,637
Mr. Tran Quoc Hung	Member	243,907,126	236,888,850
	Member cum Deputy		
Mr. Nguyen Van Dung	General Director	973,446,562	899,145,851
Mr. Do Van Ha	Member	195,079,156	65,920,000
Mr. Duong Tien Dung	Member (<i>resigned</i>)	48,827,968	170,968,850
		3,648,687,239	3,293,693,604
The Board of Supervisory			
Ms. Nguyen Thi My Van	Head of the Board	592,228,344	600,959,387
Mr. Pham Van Khoa	Member	121,262,982	43,840,000
Ms. Nguyen Thy Phuong	Member	121,262,982	43,840,000
Mr. Tran Van Thuan	Member (<i>resigned</i>)	27,644,988	96,636,104
Ms. Vy Thi Be	Member (<i>resigned</i>)	27,644,988	77,388,736
Ms. Tran Thi Thuy	Member (<i>resigned</i>)	-	6,400,000
		890,044,284	869,064,227
Mr. Bui Hoang Truong Vi	Chief Accountant	649,691,188	595,682,427

NOTES TO THE COMBINED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

VII. OTHER INFORMATION (continued)**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, Da Lat City. The lease term is 50 years commencing on 12 May 2014. The total leased land area is 1,671.91 m². 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/HĐ-MBNS dated 30 December 2010, and Appendix No. 04/2023/PLHĐ/HĐ-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/m³, excluding value-added tax, and remains valid until replaced by another appendix.
- Contract for centralized domestic wastewater treatment services in Da Lat City with the Da Lat Irrigation Works Investment and Management Center. The service price, including value-added tax, is VND 6,261/m³, in which connected organizations and individuals pay VND 3,198/m³, while the state budget subsidizes VND 3,063/m³.

4. Comparative figures

Comparative figures are those of combined financial statements for the year ended 31 December 2023.

5. Subsequent events

There has been no significant event occurring after the balance sheet date which requires adjustments or disclosures in the combined financial statements.



Tran Thi Tuyet Ngoc
Preparer



Bui Hoang Trung Vi
Chief Accountant



Nguyen Hung Cuong
General Director

04 March 2025