



No: 405/BC-HĐQT

Hai Duong, 19th March 2025

ANNUAL REPORT OF 2024

HAI DUONG WATER JOINT STOCK COMPANY

I. General information

1. Brief information:

- Business name: Hai Duong Water Joint Stock Company
- Business registration certificate No.: 0800001348
- Authorized capital: VND 318,824,700,000
- Owner's invested capital: VND 318,824,700,000
- Head office address: No.10 Hong Quang street, Quang Trung ward,
Hai Duong city, Hai Duong province, Vietnam
- Tel: (0220) 3840380 – 3859104 Fax: (0220) 3840393 – 3859010
- Website: hdwaco.com.vn
- Stock code: HDW

The history of formation and development

Hai Duong Water Joint Stock Company, initially known as Hai Duong Water Treatment Plant, was built in 1936 with a capacity of 1,000m³/day, then it was expanded and increased its capacity to 6,000m³/day in 1963, and to 21,000m³/day in 1978, mainly serving the residents of Hai Duong city.

In 1992, Hai Duong Water Treatment Plant was transformed into Hai Hung Water Supply Company under Decision No. 1400/QD-UB dated 7th December 1993 of Hai Hung Province People's Committee.

In 1997, the Company's name was changed to Hai Duong Water Supply Company under Decision No. 02/QD-UB dated 6th January 1997 of Hai Duong Province People's Committee.

In 1999, the Company took over the management of and put into operation Phu Thai Water Production Enterprise with a capacity of 1,000m³/day, serving the people of Kim Thanh district. Since October 2003, the Company has took up and managed water supply projects of Sao Do township (Chi Linh district), Gia Loc

township (Gia Loc district), Tu Ky township (Tu Ky district), Sat township (Binh Giang district) and An Luu township (Kinh Mon district) according to Decision No. 268/QĐ-UB dated 12th March 2003 of the Prime Minister, Decision No. 1224/QĐ-UB, Decision No. 3012/2003/QĐ-UB of Hai Duong Province People's Committee.

In 2005, so as to implement Decision No. 2803/QĐ-UBND dated 12th July 2005 of Hai Duong Province People's Committee on converting the State-owned enterprise, Hai Duong Water Supply Company was changed to Hai Duong Water Supply Single Member Company Limited.

In 2006, the Company implemented the Hai Duong City Water Supply System Construction Project, financed by ORET (the Netherlands) and domestic counterpart funds, with a capacity of 50,000 m³/day and a transmission pipeline system to supply water to industrial parks and residential areas in Hai Duong city.

In 2009, the Company implemented the Water Supply System Construction Project funded by WB loan capital in 4 district towns: Gia Loc township (Gia Loc district), Thanh Ha township (Thanh Ha district), Thanh Mien township (Thanh Mien district) and Minh Tan - Phu Thu townships (Kinh Mon district).

In 2011, after basically completing the water supply systems for urban areas in Hai Duong province, the Company proactively proposed to the provincial People's Committee to pilot an inter-commune water supply project (06 communes) in Ninh Giang district. The project was then implemented and completed within 3 months. After a successful pilot project, the Company proposed to the provincial authorities a plan to supply water under chains, regions, with ensured water quality and flow from master large-capacity water treatment plants to supply safe water for rural communes which are divided into several main regions, including: Hai Duong city to Cam Giang and Binh Giang; Hai Duong city to Gia Loc and part of Tu Ky district; Thanh Mien to Ninh Giang...

In 2012, the Company took up Pha Lai Water Supply System from Pha Lai Thermal Power Joint Stock Company.

In the period of 2012-2013, in implementing the tasks assigned by the provincial People's Committee, the Company has invested in building water supply systems for rural communes. With the viewpoint of water supply regardless of urban and rural areas, the Company has used the Company's own capital and commercial

loans to invest in building safe water supply systems for nearly 20 rural communes in the province.

In 2014, to ensure the goal of divesting state capital in enterprises, ensuring harmony in the interests of the State, businesses, investors and employees, and to complete the goal of covering water supply services for all the rural communes in the province, the Company has proposed the policy of socializing water supply services and the policy was approved by the provincial People's Committee. The company has become the key unit responsible for finding and calling for investors with capacity and long-term commitment in water supply services to invest in the construction of intake facilities and water supply systems in rural communes.

In the 2015-2016 period, to ensure safe water supply source to serve the people's domestic life and production and business activities, the Company continues to implement the project to improve and increase the capacity of Viet Hoa Water Treatment Plant and ORET Water Treatment Plant to 40,000m³/day and increase the capacity of all water treatment plants in the rural districts. At the same time, the Company has deployed investment to build transmission pipelines, booster pump stations to supply water under regional chains and to build treated water supply systems for rural communes in remote and disadvantaged areas in compliance with the policy of the provincial People's Committee.

In implementing the Party and State's policy on equitizing 100% state-owned enterprises, on 20th March 2013, the Prime Minister issued Decision No. 419/TTg-DMDN approving the arrangement and renewal plan for 100% State-owned enterprises under the management of Hai Duong province People's Committee in 2013-2015 period.

On 25th March 2014, Hai Duong Province People's Committee issued Decision No. 429/UBND-VP on the equitization of Hai Duong Water Supply Single Member Company Limited.

On 7th April 2014, Hai Duong Province People's Committee issued Decision No. 808/QD-UBND on equitization and establishment of the Equitization Steering Committee of Hai Duong Water Supply Single Member Company Limited.

On 5th June 2015, Hai Duong province People's Committee issued Decision No. 1405/QD-UBND on approving the enterprise value for equitization of Hai Duong Water Supply Single Member Company Limited at 0:00 on 30th June 2014.

On 17th December 2015, Hai Duong Province People's Committee issued Decision No. 3256/QD-UBND approving the equitization plan of Hai Duong Water Supply Single Member Company Limited. Accordingly, the expected authorized capital after equitization is VND 318,824,700,000, the number of shares sold to the outsiders is 11,158,864 shares.

On 29th January 2016, the Company successfully organized the initial public share auction at the Hanoi Stock Exchange with a total number of successfully offered shares of 2,079,864 shares with an average price of VND 10,475/share.

On 1st September 2016, Hai Duong Province People's Committee issued Decision No. 2418/QD-UBND on approving the results of the initial share sales and adjusting the equitization plan of Hai Duong Water Supply Single Member Company Limited. Specifically, adjusting the scale and structure of authorized capital in Clause 4, Article 1 of Decision No. 3256/QD-UBND dated 17th December 2015 of Hai Duong Province People's Committee as follows: The State holds 20,723,606 shares, accounting for 65%; Employees hold 3,556,200 shares, accounting for 11.16%; Strategic investors hold 5,400,000 shares, accounting for 16.94%; Public auction of 2,202,664 shares, accounting for 6.9%.

On 16th March 2017, the Company successfully organized the General Meeting of Shareholders to establish Hai Duong Water Joint Stock Company.

On 31st March 2017, the Company was issued Business Registration Certificate No. 0800001348 by the provincial Department of Planning and Investment, 1st issuance on 24th February 2006, 4th change registration on 31st March 2017 with authorized capital actually pooled of VND 318,824,700,000. And the Company has been officially operated as a joint stock company since 1st April 2017.

On 28th September 2017, Hai Duong Water Joint Stock Company was approved by the State Securities Commission (SSC) for registration as a public company according to Official Letter No. 6486/UBCK-GSDC of State Securities Commission.

On 3rd October 2017, the Company was granted Securities Registration Certificate No. 187/2017/GCNCP-VSD by the Vietnam Securities Depository Center (VSD), with a total number of registered shares of 31,882,470 shares.

On 26th October 2017, Hanoi Stock Exchange issued decision No. 894/QD-SGDHN on approving the stock trading registration of Hai Duong Water Joint Stock Company;

On 3rd November 2017, the Company held the first trading session on UpCom Floor at Hanoi Stock Exchange.

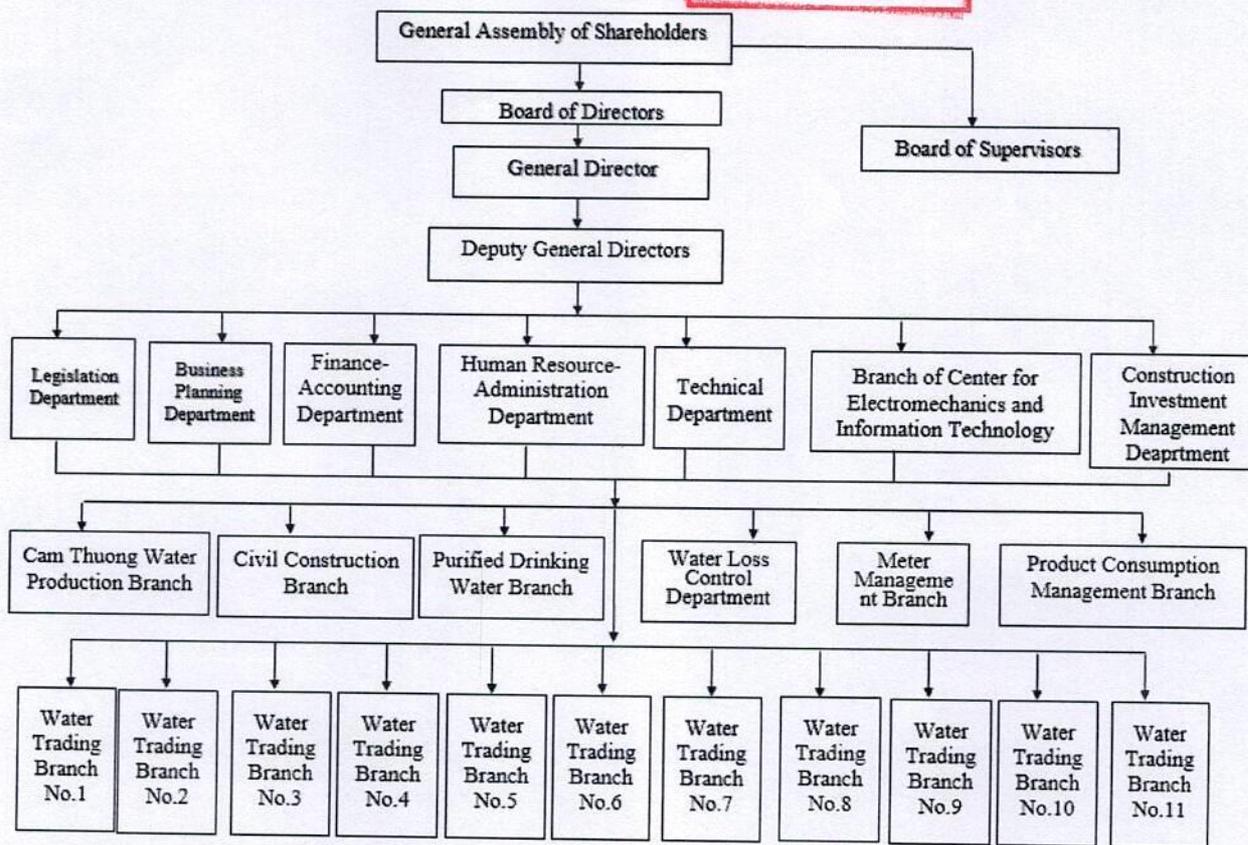
2. Business lines and business area

- Business lines

- + Intake, treatment and supply of safe water. Details: Intaking, treating and trading safe water for domestic life, production and other demands.
 - + Production of non-alcoholic beverages, mineral water. Details: Production of purified drinking water.
 - + Construction of miscellaneous civil engineering works. Details: Construction of water supply and water sewerage works in urban and rural areas; Construction of civil, industrial engineering infrastructure facilities.
 - + Wholesales of beverage. Details: Trading purified potable drinking water.
 - + Water drainage and waste water treatment.
 - + Installation of water supply and water sewerage systems, heating systems, air conditioning systems. Details: Installation of water supply and water sewerage pipelines indoor or in other construction works, including the expansion, replacement, maintenance and repair of these works.
 - + Management consulting services: Giving consultations on urban and rural water supply and sewerage works.
 - + Miscellaneous production activities that are not yet categorized. Details: Manufacturing machineries, fittings and accessories of water sector, water treatment technologies.
 - + Main business line: Treatment and sales of safe water; installation of water pipelines, construction of water supply and sewerage works; Treatment and sales of bottled drinking water.
- Business area: Inside and outside the area of Hai Duong province.**

3. The Company's organization chart:

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4. Development orientation

- The main objectives of the Company:

+ To ensure safe water security; Production and supply of safe water towards providing safe water with perfect quality and service, satisfying the increasing demands of customers, contributing to the improvement of community life quality and the development of the local socio-economy.

+ To continuously improve capacity and operational efficiency; To mobilize and use capital effectively, aiming for profit, ensuring the harmony of interests of shareholders, employees and the community; To fulfill obligations to the State.

+ To build Hai Duong Water Joint Stock Company into a unit with advanced management level, modern technology, and early integration with the region and the world.

- Medium and long term development strategy:

+ To develop and expand the water supply systems; To build smart, sustainable, and effective water supply systems, to ensure the safety and security of water resources,

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contributing to improvement of the people's life quality, meeting the needs of industrialization, modernization and socio-economic development of the province.

+ To ensure highly effective production and business activities: Commercial water output increases by an average of 3%/year; Increasing the total capacity from 200,000m³ to 250,000m³/day; to implement investment projects in order to increase the capacity of water treatment plants, booster pumping stations and transmission pipelines for the improvement of water supply capacity; To strive to reduce the loss rate to below 11%; to increase labor productivity by 3-5%/year; To expand business lines, especially in the fields that the Company has expertise such as civil construction and installation, production of purified drinking water so as to increase revenue and profits for the Company.

+ To well mobilize capital sources by reasonably dividing investment phases, ensuring water supply to meet the needs of daily life and the reasonably of production and business activities; adjusting water prices to ensure sufficient compensation for depreciation in order to repay loans borrowed for water supply investment projects.

+ To focus on investing in the innovation and application of advanced and modern technology, ensuring highly effective production and business activities towards providing perfect services to customers and ensuring safe water security.

+ To strengthen the training and the development for human resources, management science and technology in order to integrate into the local region and the whole world; increasing income, improving the material and spiritual life for employees.

5. Risks exposed to :

- Economic risks: The main business of Hai Duong Water Trading Joint Stock Company is the production and sales of safe water, an essential product for people's daily life, for production and business activities, thus in general, the Company's business activities are less affected by economic risks. However, in the context of many fluctuations in the world economic and political situation, many businesses have gone bankrupt and cut production output, leading to the risk of reducing safe water output for the production sector.

- Legal risks: The Company's business is subject to the regulations of many legal documents such as: Enterprise Law, Environmental Protection Law, Water Resources Law... The legal system and sub-law documents of Vietnam are still in the process of finalization. Changes in policies may occur, more or less affecting the business operations of the Company. However, these changes can be seen as positive aspects such as creating an increasingly tight legal corridor, suitable with the legal system and international practices, creating conditions to attract domestic and foreign investment capital, helping the Company have the opportunity to innovate technology.
- Production input risk: The Company's input materials are mainly chemicals, which do not account for a large proportion in cost price. Raw water depends on the stability of water reserves and water quality. Therefore, in the process of expanding production, the Company may be exposed to risks in quality of intake water sources, especially in dry season. Currently, groundwater sources have become saline due to the impact of climate change. In addition, due to the current speed of urbanization and industrialization, surface water sources are at increased risk of pollution from domestic and industrial wastewater.
- Risk of loss and non-revenue: Water pipelines along traffic corridors are often impacted, easily causing pipe breakage and leakage; Unsynchronized infrastructure planning, urban renovation and new rural construction activities also affect the Company's water supply pipelines; The situation of treated water fraud by drilling directly into the pipeline network, installing separate pipes for use without a water meter also contributes to increasing the rate of non-revenued water and causing damage to the main pipeline, causing water breakage and leakage.
- Output price risk: Safe water is a public utility product with social security, water prices are controlled by the State. When there are fluctuations in input material prices and water prices have not been adjusted in time and awaiting for the state-issued water price tariff, the Company may make loss.

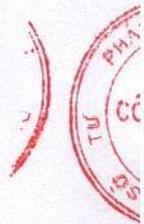
II. Operational situation in the year

1. Production and business situation

- Production and business results in 2024:

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	MAIN INDICATORS	UNIT	PLAN	ACTUAL RESULTS	COMPL ETION RATE (%)
A	TAP WATER PRODUCTION INDICATORS				
1	- Treated water production	Million m ³	72.376	73.269	101.2%
2	- Treated water revenue	Million m ³	61.7	63.147	102%
3	- Rate of loss, non-revenue	%	11	13.8	
4	- Customer development	Household	5,000	4,545	91%
B	GENERAL INDICATORS				
1	Employment and income				
	Average number of employees	Person	940	926	
	Average income/person/month	Million Dong	8.81	9.153	
2	Payment to State Budget	Million Dong	77,068	77,691	101%
B	FINANCIAL INDICATORS				
1	Owner's equity (authorized capital)	Million Dong	318,824.7	318,824.7	100%
2	Total revenue	Million Dong	546,100	573,530	105%
	- Revenue from treated water	Million Dong	529,300	548,937	104%
	- Revenue from civil construction	Million Dong	7,500	10,058	134%
	- Revenue from drinking water and miscellaneous activities	Million Dong	9,300	14,535	156%
3	Total expenses	Million Dong	488,900	515,245	105%
4	Profit before tax	Million Dong	57,200	58,285	102%
5	Corporate income tax	Million Dong	12,200	12,241	
6	Profit after tax	Million Dong	45,000	46,044	103%
7	Pre-tax profit margin on revenue	%	10.47	10.16	97%
8	Pre-tax profit margin on Owner's equity	%	17.94	18.28	102%
9	Tentative dividend payout ratio	%	7.9	8	101%



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- Actual implementation compared to the plan: In 2024, the Company has strived to complete the targets assigned in the Annual General Meeting of Shareholders, however, the prevention of loss and non-revenue has encountered many difficulties such as: The infrastructure which had been invested over many years has degraded; There have been construction of new rural roads, the construction of road expansion, thus the Company has encountered many difficulties in preventing water loss, resulting in the fact that the average loss rate cannot be maintained as planned. Compared to the plan, the number of connected customers reached 91%, the output of commercial water reached 102% , the total revenue increased by 5%. The expected dividend payment rate in 2024 is 8%.

2. Organization and Personnel

2.1. List of Board of Executives:

No	Name in full	Position held	Number of shares owned			Rate
			Total	Individual	Represented for	
1	Nguyen Thanh Son	General Director	2.819.816	30.100	2.789.716	8,84%
2	Vu Van Nhan	Deputy G.Director	2.818.916	29.200	2.789.716	8,84%
3	Nguyen Van Phung	Deputy G.Director	2.818.416	28.700	2.789.716	8,84%
4	Nguyen Thai Dung	Deputy G.Director	2.811.567	21.851	2.789.716	8,84%
5	Nguyen Thi Huong	Chief accountant	24.325	24.325	0	0,076%
6	Pham Minh Cuong	Former BoD member and G.Director	117.403	117.403	0	0,368%

2.2. Brief C.V of the Board of General Directors

* **Mr. Nguyen Thanh Son: Member of Board of Directors cum General Director**

- Gender: Male
- Date of birth: 24th April 1972
- Nationality: Vietnamese
- Registered place of residence: 184A Chuong Duong, Tran Phu ward, Hai Duong city, Hai Duong province
- Citizen ID No.: 030072002597 issued on 30th March 2017 by Police Department for Residence Registration and National Database
- Qualification: Master of Business Administration, Water supply and sewerage engineer
- Current position: Member of Board of Directors and General Director.

* **Mr. Vu Van Nhan: Member of Board of Directors cum Deputy General Director**

- Gender: Male
- Date of birth: 05th September 1965
- Nationality: Vietnamese
- Registered place of residence: 21 Ho Dac Di, Thanh Binh ward, Hai Duong city, Hai Duong province
- Citizen ID No.: 030065006377 issued on 21st September 2020 by Police Department for Administrative Management and Social Order
- Qualification: Water supply and sewerage engineer (University of Civil Engineering)
- Current position: Member of Board of Directors and Deputy General Director.

* **Mr. Nguyen Van Phung: Member of Board of Directors cum Deputy General Director.**

- Gender: Male
- Date of birth: 24th July 1964
- Nationality: Vietnamese
- Registered place of residence: No.14/504 Dien Bien Phu road, Quarter 1, Cam Thuong ward, Hai Duong city, Hai Duong province
- National ID No.: 141055727 issued on 11th August 2011 by Hai Duong provincial Police
- Qualification: Electrical engineer, majoring in Electric Equipment
- Current position: Member of Board of Directors and Deputy General Director.

*** Mr. Nguyen Thai Dung: Member of Board of Directors cum Deputy General Director**

- Gender: Male
- Date of birth: 08th May 1978
- Nationality: Vietnamese
- Registered place of residence: 39 Phan Dang Luu, Tan Binh ward, Hai Duong city, Hai Duong province
- Citizen ID No.: 030078001327 issued on 21st September 2022 by Police Department for Administrative Management and Social Order
- Qualification: Master of Business Administration, Water supply and sewerage engineer
- Current position: Member of Board of Directors and Deputy General Director.

*** Mrs. Nguyen Thi Huong: Member of Board of Directors cum Chief Accountant**

- Gender: Female
- Date of birth: 27th May 1971
- Nationality: Vietnamese
- Registered place of residence: No.75 Nguyen Thi Dinh, Eastern Urban Zone, Hai Tan ward, Hai Duong city, Hai Duong province
- National ID No.: 141946273 issued on 14th May 2011 by Hai Duong Provincial Police
- Qualification: Bachelor of Accountancy
- Current position: Member of Board of Directors and Chief accountant
- Positions held in other organizations: None

*** Mr. Pham Minh Cuong: Former member of Board of Directors cum General Director**

- Gender: Male
- Date of birth: 01st April 1963
- Nationality: Vietnamese
- Registered place of residence: No. 5/135 Tran Hung Dao road, Nhi Chau ward, Hai Duong city, Hai Duong province
- National ID No.: 141051688 issued on 08th January 2007 by Hai Duong Provincial Police
- Qualification: Master of Business Administration, Civil engineer
- Position: Former member of Board of Directors and General Director.

2.3. Changes of personnel in the Board of Executives:

- From 02nd May 2024, Mr. Pham Minh Cuong - General Director of the Company retired and received social insurance benefits according to the provisions of law.
- On 07th June 2024, Mr. Nguyen Thanh Son was appointed to be the General Director of the Company.
- On 07th June 2024, Mr. Nguyen Thai Dung was appointed to be a Deputy General Director of the Company.

2.4. Number of officers, employees and policies for employees

Total number of employees of the Company as of 31st December 2024 is 934 persons
Number of employees participating in social insurance is 934 persons.

The Company fully implements the State policies and the Company's regulations towards its employees. The policies on salary, rewards, discipline, labor regulations, paid leave and holidays, social insurance, sickness leave, maternity leave, labor protection, labor safety and hygiene, recruitment, training, meal subsidy, sightseeing, vacation, use of welfare funds, etc. are fully maintained and implemented in accordance with the regulations to help employees feel secured and attached to the Company, and to make them work with a sense of responsibility and high efficiency.

3. *Current status of investment and project implementation*

a) Major investments:

- With credit loans and equity capital, the Company has invested in upgrading the transmission pipeline network to increase the capacity of water plants in accordance with the policy approved by the General Meeting of Shareholders such as: Continuing to complete projects and works transferred from 2023 and simultaneously implementing new projects and works of 2024: Completing the project of building a booster pump station in Vinh Hong commune, Binh Giang under the management of Water Trading Branch No. 10; Completing the construction of the D710 HDPE transmission pipelines from Cam Giang station to Ghe bridge under the management of Water Trading Branch No. 10; Completing the entire project of constructing D400 HDPE transmission pipelines to supply water to Vinh Hong booster pump station... and some other projects and works to upgrade the capacity of the treatment plants and transmission pipelines according to the approved scheme.

- Most of the projects have been implemented on schedule, some projects are behind schedule due to problems in site clearance that the company is coordinating with local authorities to resolve.

b) Subsidiaries and affiliated companies: None.

4. Financial situation

a) Financial situation

Indicator	Unit	In 2023	In 2024	Rate of increase/decrease
Total asset value	Mil Dong	953,190	910,427	-4.5%
Net revenue	Mil Dong	543,262	569,438	4.8%
Profit from trading activities	Mil Dong	58,506	58,359	0.3%
Other profits	Mil Dong	-1,346	-74	6%
Pre-tax profit	Mil Dong	57,160	58,285	2%
After-tax profit	Mil Dong	44,569	46,044	3.3%
Dividend yield ratio		7,9193	8	1%

- **Note:** The data is taken from the Financial Statements for the period from 01st January 2023 to 31st December 2023 and the Financial Statements for the period from 01st January 2024 to 31st December 2024

b) Major financial indicators

Indicator	In 2023	In 2024	Notes
1. Solvency ratio indicator			
+ Current payment ratio = Current assets / Current liabilities.	0.53	0.62	
+ Quick payment ratio = (Current assets - Inventory) / Current liabilities.	0.25	0.30	
2. Capital structure indicator			
+ Debt / Total assets ratio	0.54	0.50	
+ Debt / Equity ratio	1.17	0.99	
3. Performance indicator			
Net revenue / Total assets	0.57	0.63	

4. Profitability ratio			
+ Profit after tax / Net revenue ratio	0.08	0.08	
+ Profit after tax / Equity ratio	0.1	0.1	
+ Profit after tax / Total asset ratio	0.047	0.051	
+ Operating profit / Net sales ratio	0.108	0.102	

- **Note:** The data is taken from the Financial Statements for the period from 01st January 2023 to 31st December 2023 and the Financial Statements for the period from 01st January 2024 to 31st December 2024.

5. Shareholder structure, change in owner's investment capital

a) Shares:

- Securities name: Shares of Hai Duong Water Joint Stock Company
- Securities code: HDW
- Share type: Common shares
- Par value: VND 10,000
- Total number of registered shares: 31,882,470 shares, in which:
 - + Restricted shares (working commitments and strategic investors): 8,109,100 shares
 - + Freely transferable shares: 23,773,370 shares
- Total value of registered shares: VND 318,824,700,000.

b) Shareholder structure:

No	Shareholder	Number of shareholders	Number of shares owned	Percentage (%)
I	Domestic shareholders	926	31,869,470	99,959%
1	Organization	03	26,123,606	81,937%
2	Individual	936	5,745,864	18,022%
II	Foreign shareholders		13,000	0,041%
1	Organization	01	1,900	0,006%
2	Individual	03	11,100	0,035%
	Total	931	31.882.470	100%

The data is taken from the Shareholder List dated on 19th September 2024.

Changes in owner's invested capital: None

Treasury stock transactions: None

6. Report on the Company's environmental and social impacts

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6.1. Management of raw material sources:

a) Total amount of raw materials used for production

No.	Material name	Unit	Total
1	Raw water (river surface water)	m ³	73,269,000
2	Alum (liquid)	kg	1,068,662
3	Flocculating agent	kg	1,273,7
4	Javel water	liter	1,049,644

b) Report the percentage of recycled materials used for the production of the main products and services of the Company: Thanks to the closed-loop water production line, no waste water is discharged into the environment. The sludge after the production process is concentrated, collected, transported and treated.

6.2. Power consumption

No	Unit	Number of KW
1	Hai Duong city	2,703,303
2	Branches	22,151,775
2.1	Water Trading Branch No. 1	9,664,325
2.2	Water Trading Branch No. 2	1,022,537
2.3	Water Trading Branch No. 3	984,326
2.4	Water Trading Branch No. 4	155,416
2.5	Water Trading Branch No. 5	3,712,705
2.6	Water Trading Branch No. 6	988,886
2.7	Water Trading Branch No. 7	529,279
2.8	Water Trading Branch No. 8	632,679
2.9	Water Trading Branch No. 9	2,347,339
2.10	Water Trading Branch No. 10	2,010,282
2.11	Water Trading Branch No. 11	104,001
	Total	24,855,078

6.3. Treated water consumption: The average safe water consumption is 600m³/year, mainly used for the daily life of the company's staff and workers at the company's head office and branches.

The Company annually pays environmental protection fees for domestic wastewater according to the provisions of the law.

6.4. Compliance with environmental protection law:

The Company always strictly complies with environmental protection law.

6.5. Policies related to employees

a) Number of employees, average salary for employees

Number of employees as of 31st December 2023: 934 persons

Average salary: 9,153 million VND / person / month

b) Labor policies to ensure health, safety and welfare for employees

The company always ensures that all its employees get enough jobs and get a fairly good income compared to the general income level of Hai Duong province. At the same time, the company strictly implements the labor protection regime, occupational safety and hygiene; organizes periodic and annual training on occupational safety and hygiene for employees.

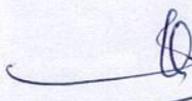
The company always timely and fully follows the regimes for sickness leave, maternity leave, paid holidays, New Year holidays, annual leave, hardship allowances; organizes vacation tours for employees. The company also gives gifts to disadvantaged employees; commends employees with good performance at work; organizes comprehensive periodic medical check-up for employees.

c) Employee training

The Company always pays attention to the quality of human resources by organizing on-site training, hiring trainers and sending employees to training courses to improve their professional qualifications and skills, raise salaries and raise workmanship grades for employees.

6.6. Responsibility towards the local community

The Company always actively participates in movements to support the community development in economic and social aspects, including financial supports to serve the community such as: Building new rural areas, participating in mutual support movements, building houses of gratitude, and nurturing heroic Vietnamese mothers, closely cooperating and coordinating with the local authorities to maintain social order, security and safety at the workplace.



III. Reports and assessment of the Board of General Directors

1. Assessment of production and business results

Production and business results achieved in 2024:

Indicator	In 2023	In 2024
1. Revenue from sales of goods and services	543,262,659,045	569,438,793,798
2. Revenue deductions		
3. Net revenue from sales of goods and services (10= 01-02)	543,262,659,045	569,438,793,798
4. Costs of goods sold	380,418,987,565	409,171,669,289
5. Gross profit from sales of goods and services (20=10 - 11)	162,843,671,480	160,267,124,509
6. Financial revenue	30,604,961	2,750,114,680
7. Financial expenses	21,717,088,416	15,012,535,068
- In which: Loan interest expenses	18,124,635,025	15,012,535,068
8. Sales expenses	21,760,866,746	22,829,284,735
9. Business management costs	60,889,775,029	66,815,496,809
10. Net profit from business activities {30 = 20 + (21-22)-(25+26)}	58,506,546,250	58,359,922,577
11. Miscellaneous revenues	10,372,713	1,341,538,076
12. Miscellaneous expenses	1,356,896,319	1,416,419,869
13. Miscellaneous profits(40 = 31 - 32)	-1,346,523,606	- 74,881,793
14. Total accounting profit before tax (50 = 30 + 40)	57,160,022,644	58,285,040,784
15. Current corporate income tax expenses	12,590,709,932	12,240,812,543
16. Deferred corporate income tax expenses		
17. Profit after corporate income tax (60=50 - 51 - 52)	44,569,312,712	46,044,228,241
18. Basic earnings per share	1,397,93	1,444,19

- Achievements obtained by the Company

Maintaining and developing stable water supply services for people in Hai Duong province; Maintaining water pressure at 10-12m water column.

Implementing the program of safe water supply: The water quality meets National Standards on drinking water quality. The Company regularly monitors the quality of treated water supplied for people and periodically monitors it by: the Company's testing laboratory, Hai Duong Provincial Preventive Medicine Center, Hanoi University of Civil Engineering. All water samples have been concluded to be in compliance with the State regulations.

Applying technology and scientific advances, automation in the management and operation of the water supply systems.

The service quality is constantly improved (water flow, pressure, customer service attitude).

Applying and converting technology to collect water consumption fees online, linking online payment applications to expand convenient payment methods for customers.

The company always gets high consensus from the people, good trust from local authorities and prestige in the water supply sector.

2. Financial situation

a) Status of asset and property

Data on changes in tangible fixed assets in the year up to 31st December 2024:

No	Kind of asset	Original price (VND)	Accumulated depreciation value (VND)	Remaining value (VND)
1	Houses and architectures	505,857,108,947	289,483,602,268	216,373,506,679
2	Equipment and machinery	313,477,198,938	234,477,594,032	78,999,604,906
3	Means of transport, transmission devices	1,224,633,637,248	727,387,509,643	497,246,127,605
4	Management equipment	5,866,248,839	4,265,093,515	1,601,155,324
5	Miscellaneous fixed assets	18,314,232,823	17,879,114,986	435,117,837
	Total	2,068,148,426,795	1,273,492,914,444	794,655,512,351

The Company's assets are moving in a positive direction, the Company's capital is preserved and used effectively. The Company does not have assets that negatively affect the results of production and business activities.




b) Payable debt:

- Current debt situation, large fluctuations in debts

As of 31st December 2024, debt payable is: VND 452,242,379,973, in which:

+ Short-term debt: VND 110,904,732,929

+ Long-term debt: VND 341,337,647,044

There is no large fluctuation in debt and no bad debt.

- Analysis of bad debts and impacts of the exchange rate difference on the Company's business performance, and the impacts of the interest rate difference:

The exchange rate when re-evaluating currency items classified as liabilities is the selling rate of the Vietnam Development Bank - Hai Duong and Hung Yen Regional Development Branch.

Recognition principles of loans: The Company's loans include loans from the Vietnam Development Bank - Hai Duong and Hung Yen Branch, Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch and Vietnam Joint Stock Commercial Bank for Investment and Development - Hai Duong Branch, which are recorded on the basis of receipts, bank documents, agreements and loan contracts, loan agreements.

All the exchange rate differences actually arising during the period and the differences due to revaluation of balances of foreign currency items at the end of the period are accounted for in the business results of the accounting period. In 2024, the Company's exchange rate difference in the valuation of foreign currency loan balances was VND 2.7 billion.

3. Improvements in organizational structure, policies and management

* Regarding organizational structure

The Company has been reviewing and adjusting its organizational structure of the management apparatus towards streamlining and efficiency.

* Regarding policies

The Company has focused on promoting the effectiveness of its existing human resources together with retraining the staff.

* Regarding management

The Company has implemented corporate governance in accordance with the joint stock company model to ensure transparency.

4. *Future development plan*

- Continuing to maintain, develop and expand the water supply systems; to build smart, sustainable and effective water supply systems, to ensure the safety and security of water resources, contributing to the improvement of the people's life quality, the satisfaction of the needs and demand of industrialization, modernization and socio-economic development of the province.
- Ensuring highly effective production and business activities. In 2025, the Company strives to reach 64.5 million m³ of water output and a revenue of 577.3 billion VND and dividend payout ratio of 8%.
- Well mobilizing capital sources; dividing investment phases reasonably; ensuring water supply to meet the needs of daily life, the demand of production and business activities; adjusting water price tariff to ensure sufficient compensation for costs to repay debts of loaned investment projects.
- Focusing on investment in innovation, application of advanced and modern technology; ensuring highly effective production and business activities; moving towards providing perfect services to customers; ensuring safe water security.
- Strengthening the training and development of human resources, management science and technology to integrate into the region and the world; increasing income, improving the material and spiritual life for all the employees.

5. *Explanation of the Board of General Directors on the audit opinions*

The Company's financial statements for 2024 have been approved by the auditing organization, Vietnam Auditing and Valuation Company Limited (VAE).

6. *Assessment report on the Company's environmental and social responsibility*

a. Assessment of environmental indicators (water consumption, energy consumption, emissions, etc.)

By thoroughly saving energy during the production process such as using frequency converter systems and applying synchronous energy saving measures, the Company has reduced electricity consumption compared to the electricity standard for treated water production specified in Decision No. 590 of Ministry of Construction.

The company uses a closed-loop system with no wastewater discharged into the environment. Sludge is concentrated in a sludge conditioning tank, dried and collected and treated by a specialized unit. For wastes that may affect the environment such as: sticky cleaning towels, chemical packaging, etc., the Company arranges a storage warehouse and hires a specialized unit to handle them in accordance with the law.

Domestic wastes are collected into garbage cans on the premises and transferred to the waste collection unit in the city.

The company has installed a roofing system combined with solar power, initially reducing power consumption.

b. Assessment of labor issues

The company always ensures that all its employees get enough jobs and fairly good income compared to the common level of income in Hai Duong province. The Company also strictly implements the labor protection regime, labor safety and hygiene, organizes periodic and annual training on labor safety and hygiene for workers; timely and fully implements the regimes of sickness leave, maternity leave, public holidays, traditional new year holidays, hardship allowance; organizes tours and vacations for employees; gives gifts to workers on public holidays, gifts to the employees' children with high academic achievements; organizes comprehensive periodic health check-up for all the employees.

The Company also pays attention to cultural, musical and sports movements, providing a healthy playground for employees after stressful working hours, thereby improving the Company's production and business efficiency.

c. Assessment of the Company's responsibility towards the local community

In addition to production and development of water supply services to people in the whole province, the Company also actively participates in activities to maintain public security and order, social safety, fire prevention and fighting, and mutual assistance, charity activities... as well as many other activities held by the local community.



IV. Assessment by the Board of Directors on the Company's operation*1. Comprehensive assessment of the Company's operation by the Board of Directors*

In 2024, the Board of Directors, together with the Board of General Directors have well performed the functions and tasks of administration, supervision and orientation of all activities in the Company; They have well implemented policies towards employees, thereby completing the targets assigned in the Shareholders' General Meeting; Besides, the Boards have successfully organized the 2024 Annual General Meeting of Shareholders on 28th June 2024 and completed the payment of dividends of 2023 to shareholders with a dividend rate of 7.9193%.

Compared to the plan, the number of connected customers decreased by 9%, the commercial water output reached 102% and increased by 4% compared to 2023. Total revenue increased by 5% compared to the plan and over 6% compared to 2023. The expected dividend payment rate in 2024 increased by 0.0807 compared to 2023.

The Board of Directors have managed and supervised the investment in construction in accordance with the functions and tasks assigned in the Company's Charter. In meeting sessions, the Board of Directors have directed the Board of General Directors to manage the investment activities in accordance with the policies approved by the Board of Directors to ensure capital preservation, production and business development, and to prioritize the interests of shareholders.

In addition, the Board of Directors and the Board of General Directors have reorganized the organizational structure according to the Company's production and business plans approved in the General Meeting of Shareholders on 28th June 2024; re-appointed managers, technical staff, etc. Working in affiliated units and branches.

In 2024, according to the labor arrangement plan, there are 940 people. The Company has rearranged the labor force at affiliated units and branches to ensure labor balance and to promote the effectiveness of existing human resources in order to improve the efficiency of production and business. Therefore, the average number of employees as of 31st December 2024 is 926 people, decreasing by 14 people.

The Boards have directed to continue adjusting, completing and perfecting the Company's operating regulations, salary scale and social insurance contributions for employees; perfecting the regulations on salary and perishable cheap items... in

accordance with state regulations to ensure the stable operation of the Company; ensuring employees jobs and income at a fairly good level compared to the general level of income in the province and fulfilling tax obligations to the State budget. Along with maintaining and developing production and business activities, the Company always has well protected the environment and ensured safety in production.

2. Assessment on the Board of General Directors' performance by the Board of Directors

The Board of Directors highly appreciate the performance of the Board of General Directors in 2024 and their determination to complete the targets assigned in the General Meeting of Shareholders by the Board of Directors:

- The Board of General Directors have well implemented production and business activities in accordance with the Resolutions of the General Meeting of Shareholders, the guidelines of the Board of Directors, strictly complied with the management regulations, the provisions of the law and the Company's charter.
- The management and supervision of affiliated branches in production and business activities are closely carried out through monthly and quarterly evaluation of production and business results and timely adjustment, settlement of arising problems and through promotion of branches to implement business strategies to ensure the achievement of the goals set for 2024. In particular, The Board of General Directors have found measures to stabilize production costs to maintain the Company's profits as well as to reduce the number and increase the productivity of its employees. However, due to fluctuations in input materials and in the EURO exchange rate, the Company's profit indicator did not meet the plan set forth.
- The Board of General Directors have regularly reported to the Board of Directors on the Company's financial situation, the management and operation of production and business activities, and the investment situation of projects. The quick update and exchange of information have helped the Board of Directors grasp the current business situation of the Company and give effective instructions according to the strategic orientation set forth.
- The Board of General Directors have strictly implemented the resolutions and decisions issued by the Board of Directors.

3. Plans and orientations of the Board of Directors

3.1. Some targets and plans to strive for in 2025

No	Main indicators	Unit	Targeted plan
I	MAIN PRODUCTS		
1	- Treated water production	Million m ³	75,877
2	- Treated water revenue	Million m ³	64,5
3	- Rate of loss, non-revenue	%	14,98
4	- Customer development	Household	3.800
II	FINANCIAL INDICATORS		
1	Owner's equity (authorized capital)	Million VND	318.824,7
2	Total revenue	Million VND	577.300
	- Revenue from treated water	Million VND	558.700
	- Revenue from civil construction	Million VND	7.500
	- Revenue from drinking water sale and miscellaneous activities	Million VND	11.100
3	Total expenses	Million VND	518.700
4	Pre-tax profit	Million VND	58.600
5	After-tax profit	Million VND	46.400
III	OTHER INDICATORS		
1	Payment to State Budget	Million VND	78.780
2	Pre-tax profit margin on revenue	%	10,15
3	Pre-tax profit margin on Owner's equity	%	18,38
4	Tentative dividend payout ratio	%	8

3.2. Some other important activities:

- In 2025, the Board of Directors will continue to focus on directing and closely monitoring the implementation of the production and business plan.
- Continuing to direct the implementation and accelerate the progress of investment projects to ensure the Company's goal of expanding water supply services.




- Coordinating with the Board of General Directors to seek and further improve corporate governance to ensure transparency, water supply system management, safe water treatment technology to ensure the improvement of quality of water supply services for the people.
- Coordinating with the Board of General Directors to research, supplement and adjust the Company's development strategy to adapt for the new situation.

V. Corporate governance

1. Board of Directors

a) Members and structure of the Board of Directors:

TT	Name in full	Position	Number of shares owned			Rate	Notes
			Total	Individual	Represented for		
1	Vu Manh Dung	Chairman of BoD	9,604,142	39,400	9,564,742	30.12%	Members of Executive Board of Directors
2	Nguyen Van Phung	Vice Chairman of BoD	2,818,416	28,700	2,789,716	8.84%	
3	Vu Van Nhan	Member of BoD	2,818,916	29,200	2,789,716	8.84%	
4	Nguyen Thai Dung	Member of BoD	2,811,567	21,851	2,789,716	8.84%	
5	Nguyen Thanh Son	Member of BoD	2,819,816	30,100	2,789,716	8.84%	
6	Vu Chi Phuong	Member of BoD	13,251	13,251	0	0.04%	Admin- Personnel Manager
7	Pham Minh Cuong	Former Member of BoD	117,403	117,403	0	0.368%	Terminated on 28 th June 2024
8	Pham Thi Man	Member of BoD	3,900,000	0	3,900,000	12.23%	Non-executive BoD member

b) Board of Directors' activities: Assessment of the Board of Directors' activities: From 01st January 2024 to 31st December 2024, the Company Board of Directors have held the following meetings to decide on issues within its authority and have made specific resolutions as follows:

No	Resolution No	Date	Agenda
1	Resolution of BoD's 14 th Meeting of the 2022-2027 tenure	29 th January 2024	<ol style="list-style-type: none"> 1. Approving the Proposal for reappointment, appointment, rotation and mobilization of officials for the 2024-2027 tenure; 2. Discussing some other tasks.
2	Resolution of BoD's 15 th Meeting of the 2022-2027 tenure	29 th February 2024	<ol style="list-style-type: none"> 1. Approving the Interim (Mid-year) Financial Statement for the 4th quarter of 2023 and the whole year of 2023. 2. Approving the Business Operation Results Statement in 2023 and tentative plan of profit distribution in 2023. 3. Approving the Submission of capital allocation for capital construction and transitional procurement in 2023 and investment in capital construction and procurement in 2024. 4. Approving the Submission of the 2024 labor recruitment plan proposal. 5. Approving the Submission of medium-term loan plan for the first stage of 2024. 6. Approving the settlement of the salary fund for the employees, the salary and remuneration fund for the managers in 2023 and the planned salary fund for the employees, the planned salary and remuneration fund for the managers in 2024. 7. Approving the Submission of supports to the employees during the national holidays of 30th April and 1st May 2024. 8. Approving the Submission of supports to build charity houses in 2024. 9. Discussing some other tasks.

3	Resolution of BoD's 16 th Meeting of the 2022-2027 tenure	28 th March 2024	<ol style="list-style-type: none"> 1. Approving the Submission of Promulgation of Regulations on piece wage salaries and certain miscellaneous costs in 2024 2. Discussing some other tasks.
4	Resolution of BoD's 17 th Meeting of the 2022-2027 tenure	25 th April 2024	<ol style="list-style-type: none"> 1. Approving the Interim (Mid-year) Financial Statement of 1st Quarter of 2024. 2. Approving the Submission of brand advertising through a number of sports teams under Hai Duong provincial Center for Training, Coaching and Sports Competition. 3. Approving the Submission of extending the time to organize the Annual Shareholders General Meeting in 2024. 4. Approving the Submission of finalizing the list of shareholders to hold the 2024 Annual Shareholder General Meeting. 5. Discussing some other tasks.
5	Resolution of BoD's 18 th Meeting of the 2022-2027 tenure	04 th June 2024	<ol style="list-style-type: none"> 1. Taking votes to appoint General Director and Deputy General Director of Hai Duong Water Joint Stock Company. 2. Approving the Submission of capital construction investment funds allocation plan for 2nd phase of 2024. 3. Approving the Submission of national vacation support for employees in 2024. 4. Discussing some other tasks.
6	Resolution of BoD's 19 th Meeting of the 2022-2027 tenure	11 th June 2024	<ol style="list-style-type: none"> 1. Approving the Nomination for members of the BoD for the 2022-2027 tenure at the 2024 Annual Shareholders General Meeting 2. Approving some other tasks.
7	Resolution of BoD's 20 th Meeting, the 2022-2027 tenure	01 st July 2024	<ol style="list-style-type: none"> 1. Approving the Submission of selecting an auditing unit to review the Mid-year (Interim) Financial Statements and to audit the Financial Statements of 2024. 2. Approving the Submission of the Salary Scale System for 2024. 3. Discussing some other issues.

8	Resolution of BoD's 21 st Meeting, the 2022-2027 tenure	13 th August 2024	<ol style="list-style-type: none"> 1. Approving the Financial Statement of the 2nd Quarter of 2024. 2. Approving the Financial Statement of the first 6 months of the year; 3. Approving the Submission on supports to employees on the holiday of 2nd September 2024; 4. Approving the plan for payment of 2023 dividend. 5. Approving the Submission of plans of short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch. 6. Approving the Proposal for dispatching a delegation to attend the International Water Week in Taiwan (China); 7. Discussing on some other tasks.
9	Resolution of BoD's 22 nd Meeting, the 2022-2027 tenure	22 nd October 2024	<ol style="list-style-type: none"> 1. Approving the Financial Statement of the 3rd Quarter of 2024. 2. Approving the Business Operation Results Report of the first 9 months of 2024, estimating the results of the whole year 2024. 3. Approving the Submission on supports to employees on the Calendar New Year holiday. 4. Approving the Submission requesting for support and extra-payment for flood and storm prevention work (Storm No. 3 Yagi) for the period from 6th September 2024 to 15th September 2024. 5. Approving the Submission requesting for supports and assistance to attend the Sports Festival and Music performance held in Viet Tri-Phu Tho by the Northern Water Supply and Sewerage Association in 2024. 6. Approving the Proposal on purchasing additional health insurance for key employees of the Company in 2025. 7. Discussing some other tasks.
10		30 th December 2024	<ol style="list-style-type: none"> 1. Passing the Report on Estimated Business Operation Results of 2024 and tentative distribution of profits in 2025. 2. Approving the Production and Business Plan and Profit Distribution Plan for 2025. 3. Approving the Submission of the List of capital

	Resolution of BoD's 23 rd Meeting, the 2022-2027 tenure		<p>construction investment projects and transitional procurement in 2024, and the Plan for capital construction investment and procurement in 2025.</p> <p>4. Approving the Submission of the materials and equipment supply plan and the list of selected suppliers in 2025.</p> <p>5. Approving the Submission of Additional payment to the Employee Salary Fund and the Manager's Salary and Remuneration Fund in 2024.</p> <p>6. Approving the Submission of payment for forest environmental services.</p> <p>7. Discussing some other affairs.</p>
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2. Board of Supervisors (BoS)

a) Organizational structure and members of the Board of Supervisors

No	Name in full	Position	No. of shares	Ownership ratio
1	Tran Thi Thanh Ngan	Head of the Board	11,851	0.037%
2	Nguyen Thi Thu Hang	Full time member	8,400	0.026%
3	Tran Thi Hue	Full time member	1,000	0.003%

b) Operation of Board of Supervisors:

No	Member of BoS	Start date as a member of BoS	End date as a member of BoS	Number of BoS meetings attended	Meeting attendance rate	Excuses for absence
1	Tran Thi Thanh Ngan	1 April 2017		5	100%	
2	Nguyen Thi Thu Hang	1 April 2017		5	100%	
3	Tran Thi Hue	30 June 2022		5	100%	

Operation of Board of Supervisors

Last year, basing on the assigned tasks, the members of the Board of Supervisors carried out inspection and supervision of the financial activities, management and operation of the Company through the following main activities:

- The Board of Supervisors held regular meetings every quarter and regularly exchanged internal information for the purpose of inspecting and supervising the Company's operations according to its specified functions.

- Supervising the implementation of the Resolutions of the General Meeting of Shareholders, of the Board of Directors and the management and operation of production and business of the Board of General Directors.
- Appraising the business reports, monitoring activities and giving opinions on the Company's quarterly, half-yearly and annual financial statements.
- Monitoring and checking the implementation of production and business plans, capital construction investment; reviewing quarterly and annual indicators and target proportions in regular meetings of the Board of Supervisors
- The Board of Supervisors have fully attended the meetings of the Board of Directors, meetings of the Board of Executives, the monthly meetings and all other meetings chaired by the Chairman of the Board of Directors and the General Director to promptly grasp the Company's production and business situation, to contribute opinions to the implementation of the planned targets approved in the General Meeting of Shareholders.
- Coordinating with all the Company's departments in the inspection and supervision so as to improve the governance quality, limit and prevent risks, specifically:
 - + Coordinating with the Finance and Accounting Department to control the financial situation of the Company and its affiliated units.
 - + Coordinating with the relevant departments to improve the system of Internal Management Regulations.
 - + Monitoring the implementation of the Company's Regulations and Rules.
 - + Monitoring the Company's production and business activities and financial situation

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

a) Salary, bonus, remuneration and benefits:

Basing on the Minutes and the Resolution of the General Meeting of Shareholders held on 28th June 2024:



Salary scale:

The salary scale for members of the Board of Directors and members of the Supervisory Board approved by the General Meeting of Shareholders is as follows:

- Monthly salary of full time Chairman of Board of Directors	VND 32,000,000
- Monthly salary of full time Vice Chairman of Board of Directors	VND 28,500,000
- Monthly remuneration of part time member of Board of Directors	VND 6,000,000
- Monthly salary of the Head of Board of Supervisors	VND 24,500,000
- Monthly salary of full time member of Board of Supervisors	VND 16,000,000
- Monthly salary of the General Director	VND 30,000,000
- Monthly salary of the Deputy General Director	VND 27,500,000
- Monthly salary of the Chief Accountant	VND 24,500,000

The Chairman of the Board of Directors, Vice Chairmen of the Board of Directors, the Head of the Board of Supervisors, and Supervisors working full-time at the Company are paid full-time salaries and do not receive remuneration.

Members of Board of Directors who concurrently hold leadership and management positions in the Company (General Director, Deputy General Directors, Chief Accountant) are paid full-time salaries for those leadership and management positions and do not receive remuneration as members of Board of Directors.

Members of the Board of Directors and Board of Supervisors who are not full-time members and concurrently hold leadership and management positions are entitled to remuneration as members of the Board of Directors and Board of Supervisors.

The Board of Directors receiving full-time salaries consists of 02 members: Chairman of the Board of Directors, Vice Chairman of the Board of Directors.

The Board of Directors receiving remuneration includes: 01 member. The remaining members receive full-time salaries for their leadership and management positions.

The Board of Supervisors receiving full-time salaries consists of 03 members, in which: 01 as the Head, 02 as members.

The salary and remuneration for the Board of Directors and the Board of Supervisors are implemented according to the Resolutions of the General Meeting of Shareholders held on 28th June 2024.

The Company has paid and accounted for the salary and remuneration of the Board of Directors and the Board of Supervisors in accordance with the regulations.

The Company has implemented Article 15 of Circular 28/2016/TT-BLDTBXH dated 01st September 2016 basing on the average planned salary scale in association with the level of performance of production and business targets, specifically:

- + The Company has completed the production and business plan and the actual profit is equal to the planned profit, the salary and remuneration of the implementation are determined by the average planned salary level;
- + If the Company has completed its production and business plan and the actual profit is equal to the planned profit, the salary and remuneration of the implementation are determined by the average planned salary level;
- + If the company has completed its production and business plan and its actual profit exceeds the planned profit, the salary and remuneration will be calculated by an additional 2%, but not more than 20% compared to the average salary;
- + If the Company's actual profit is lower than the planned profit, for every 1% decrease in actual profit, the salary and remuneration must be reduced by 1% compared to the average planned salary;

Basing on the production and business plan, the annual financial statement for the accounting period from 01st January 2024 to 31st December 2024 and the actual profit, the Company will submit to the General Meeting of Shareholders for approval the salary and remuneration for the Board of Directors and the Board of Supervisors corresponding to the profit increase: 4% as follows:

* Board of Directors:

No	Position	Salary / remuneration	Amount (VND/month)
1	Chairman	Salary	33,280,000
2	Vice Chairman	Salary	29,640,000
3	Part time member	Remuneration	6,240,000

* Board of Supervisors:

No	Position	Salary / remuneration	Amount (VND/month)
1	Head	Salary	25,480,000
2	Full time member	Salary	16,640,000
3	Full time member	Salary	16,640,000

BẢN DỊCH

* Board of General Directors:

No	Position	Salary / remuneration	Amount (VND/month)
1	General Director	Salary	31,200,000
2	Deputy General Director	Salary	28,600,000
3	Deputy General Director	Salary	28,600,000
4	Chief accountant	Salary	25,480,000

In addition, basing on the number of shares owned by the Executive, the Executive is entitled to annual dividends at a rate decided by the General Meeting of Shareholders.

b) Share transactions of internal shareholders: None.

c) Contracts or transactions with internal shareholders:

- Contract to purchase treated water signed with a strategic investor: Phuc Hung Hai Duong Water Supply Joint Stock Company;

- Contract to sell treated water signed with a strategic investor: Xuan Hung Water Supply Joint Stock Company.

- Transitional contracts before the Company was converted into a joint stock company, the water tariff is decided by the People's Committee of Hai Duong province.

d) The implementation of the regulations on corporate governance: The company always complies with the provisions of the law on corporate governance.

VI. Financial statements

1. Auditor's exceptional comments: None.

2. Audited Financial Statements for 2024 (*posted on the Company's website and disclosed on the websites of the State Securities Commission and the Hanoi Stock Exchange in accordance with the regulations*).

CONFIRMATION OF THE LEGAL REPRESENTATIVE OF THE COMPANY
CHAIRMAN OF THE BOARD OF DIRECTORS

Vu Manh Dung (*signed and sealed*)

CAM ĐOAN CỦA NGƯỜI DỊCH

Tôi, Nguyễn Thị Thanh, căn cước công dân số 030162013545 cấp ngày 22/9/2021 tại Cục Cảnh sát Quản lý hành chính về trật tự xã hội, cam đoan đã dịch chính xác văn bản đính kèm này từ tiếng Việt sang tiếng Anh.

Ngày / Date: 20/3/2025

Người dịch / Translator

Nguyễn Thị Thanh

TRANSLATOR'S CONFIRMATION

I, Nguyen Thi Thanh, holder of Citizen ID No. 030162013545 issued on 22nd Sep. 2021 by the Police Dept. for Administrative Management of Social Order, hereby confirm that I have correctly translated the attached document from Vietnamese into English.

LỜI CHỨNG CỦA CÔNG CHỨNG VIÊN

Hôm nay, ngày 20/3/2025 (ngày Hai mươi, tháng Ba, năm Hai nghìn không trăm Hai lăm), tại Phòng Công chứng số 1, địa chỉ tại 93 Bạch Đằng, phường Trần Hưng Đạo, thành phố Hải Dương, tỉnh Hải Dương,

Tôi, *Nguyễn Thị Hồng Vân* Công chứng viên, trong phạm vi trách nhiệm của mình theo quy định của pháp luật,

CHỨNG NHẬN:

- Bản dịch này là do Bà Nguyễn Thị Thanh, cộng tác viên phiên dịch của Phòng Công chứng số 1, tỉnh Hải Dương dịch từ tiếng Việt sang tiếng Anh;
- Chữ ký trong bản dịch đúng là chữ ký của Bà Nguyễn Thị Thanh;
- Nội dung bản dịch là chính xác, không vi phạm pháp luật, không trái đạo đức xã hội;
 - Văn bản công chứng này được lập thành 02 bản chính, mỗi bản gồm 35 tờ, 35 trang, lưu 01 bản tại Phòng Công chứng số 1, tỉnh Hải Dương.

NOTARY'S AUTHENTICATION

Today, 20/3/2025 (The Twentieth of March, Two thousand and Twenty five), in the Notary Public Office No.1, located at 93 Bach Dang, Tran Hung Dao ward, Hai Duong city, Hai Duong province,

I, *Nguyễn Thị Hồng Vân*, a Notary Public, within the scope of my liability as provided by the law,

HEREBY NOTARIZE:

- This document was translated from Vietnamese into English by Ms. Nguyen Thi Thanh, a certified translator/interpreter of the Notary Public Office No.1, Hai Duong province;
- The signature appearing in this translation is the genuine signature of Ms. Nguyen Thi Thanh;
- The contents of the document translated are authentic, not law-violated, not contrary to social morals;
- This notarized document is made into 02 originals, 35 sheets, 35 pages each, 01 of which is kept at Notary Public Office No.1, Hai Duong province.

Số công chứng (Notarial No): 882 Quyển số (Book No): 01/2025 TP/CC-SCC/BD

CÔNG CHỨNG VIÊN / NOTARY



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