



BAC GIANG CLEAN WATER JOINT STOCK COMPANY

ANNUAL REPORT

2024



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I. GENERAL INFORMATION

1. GENERAL INFORMATION

Bac Giang Clean Water Joint Stock Company

Business Registration Certificate No.:	2400126106
Charter capital:	181,494,460,000 VND
Owner's capital:	181,494,460,000 VND
Telephone:	02043. 855 757
Website:	bacgiangwsc.com.vn
Securities code:	BGW
Address:	No. 386, Xuong Giang Street, Ngo Quyen Ward, Bac Giang City, Bac Giang Province

2. BUSINESS LINES AND LOCATIONS

a) Business lines.

Operating under the business license issued by the Business Registration Office of the Bac Giang Department of Planning and Investment on November 20th, 2015.

Key Business Activities:

- Water supply, treatment, and distribution
- Installation of water supply and drainage systems
- Construction of water supply and drainage works, civil engineering projects, electrical works, and other public utility infrastructure
- Wholesale of construction materials and installation equipment. Details: Trading in materials and equipment for water supply and drainage systems
- Architectural and technical consulting services. Details: Consultancy on project development, design, appraisal, and supervision of water supply and drainage projects
- Road freight transportation
- Technical inspection and analysis:
 - Water quality testing;
 - Verification and calibration of cold water meters

b) Location of business.

Bac Giang Province

3. ESTABLISHMENT AND DEVELOPMENT HISTORY

1976

Establishment of Unit 76 Construction under Ha Bac Province Construction Company

1978

Establishment of Ha Bac Electricity and Water Enterprise based on the separation of independent operations from Unit 76 Construction.

1993

Ha Bac Electricity and Water Enterprise was converted into Ha Bac Water Supply and Drainage Company.

1997

Bac Giang Water Supply and Drainage Company was established based on the provincial separation.

2005

Transitioned to a new operating model and renamed Bac Giang Water Supply and Drainage One Member Limited Liability Company.

2014

Establishment of Doi Ngo – Luc Nam Water Supply Enterprise.

2015

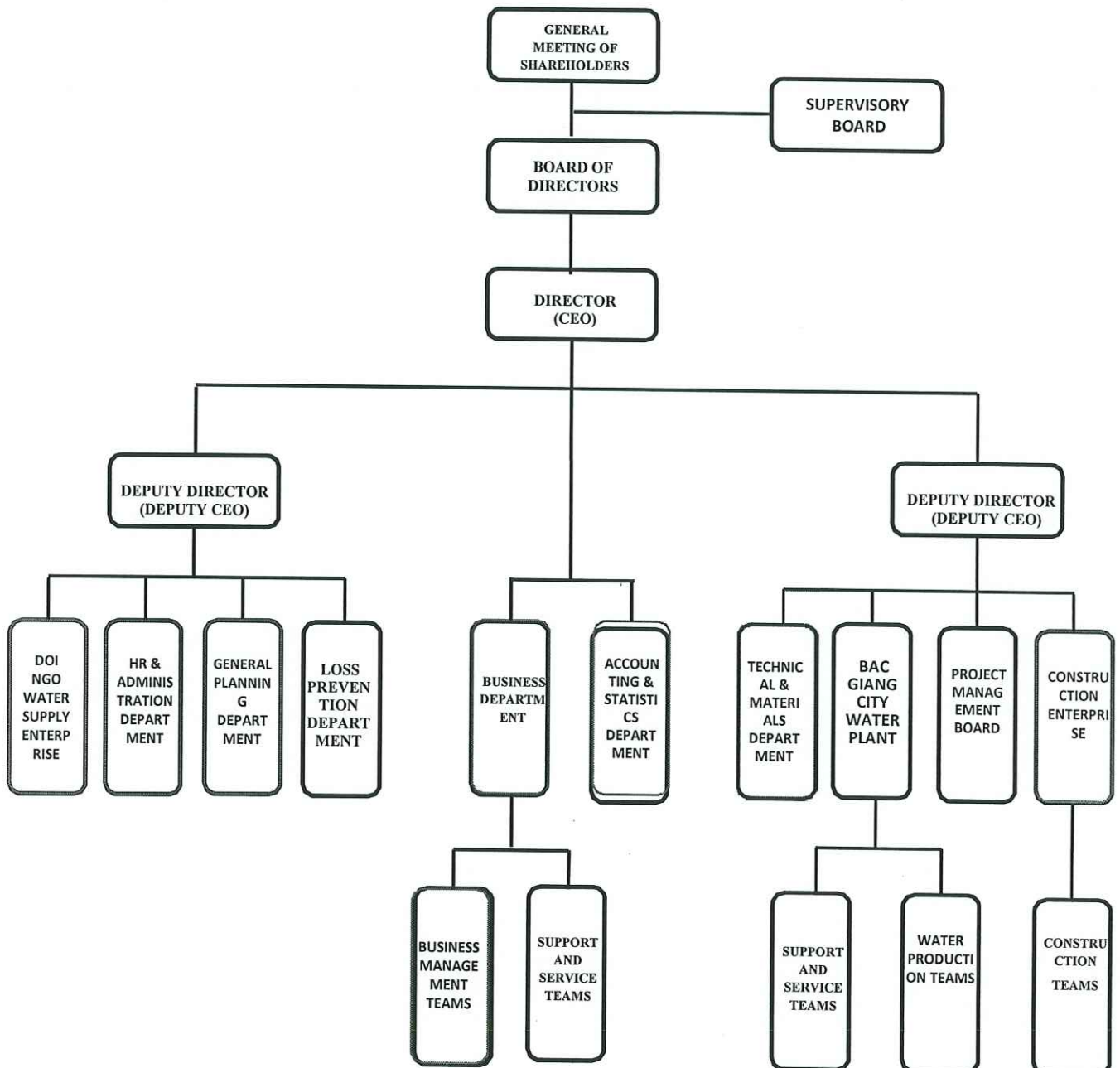
Transitioned to a new operating model and renamed Bac Giang Clean Water Joint Stock Company.

2023

Establishment of the Construction Enterprise Branch.

4. GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

Bac Giang Clean Water Joint Stock Company is organized and operates in accordance with the Law on Enterprises No. 59/2020/QH14, enacted by the National Assembly of the Socialist Republic of Vietnam on June 17th, 2020. The Company's operations comply with the Law on Enterprises, other relevant laws, and the Company's Charter on Organization and Operation.



FUNCTIONS & RESPONSIBILITIES

General Meeting of Shareholders

The General Meeting of Shareholders, comprising all shareholders with voting rights, is the highest governing body of the Company. It has the authority to decide on matters as prescribed by law and the Company's Charter. The General Meeting of Shareholders is responsible for electing the Board of Directors and the Supervisory Board.

Board of Directors

The Board of Directors is the governing body of the Company, authorized to act on its behalf in making all decisions related to the Company's objectives and interests, except for matters under the authority of the General Meeting of Shareholders. The rights and responsibilities of the Board of Directors are defined by law, the Company's Charter, and internal regulations.

Supervisory Board

Acting on behalf of the shareholders, the Supervisory Board oversees all governance and business operations of the Company. It is accountable to the General Meeting of Shareholders and the law for performing its duties and responsibilities, as stipulated by its rights and obligations.

Inspect the Company's accounting records and financial statements, ensuring the legality and appropriateness of its business and financial activities, as well as compliance with the resolutions and decisions of the Board of Directors.

Submit to the General Meeting of Shareholders an audit report on the Company's financial statements while having the right to present independent opinions on the audit results concerning business operations, the activities of the Board of Directors, and the Executive Board.

Request the Board of Directors to convene an extraordinary General Meeting of Shareholders when deemed necessary.

Director/Chief Executive Officer (CEO)

The CEO is responsible for managing the Company's daily business operations under the supervision of the Board of Directors. The CEO is accountable to the Board of Directors and the law for the execution of assigned rights and responsibilities.

Deputy CEO/Deputy Director

The Deputy CEO assists the CEO in carrying out assigned tasks and is responsible for the areas delegated by the CEO. The Deputy CEO is accountable to the CEO and the law for the assigned and authorized duties. In the CEO's absence, one Deputy CEO may be authorized to oversee the Company's overall operations and will be responsible to the Chairman of the Board and the CEO for decisions made during that period.

Departments & Divisions

HR & Administration Department

This department advises and supports the Chairman and CEO in structuring the Company's organizational framework and optimizing human resource allocation to meet business and operational demands. It oversees corporate administration, ensures security and order, and protects Company assets. Additionally, it manages workforce administration, enforces labor policies, and ensures full compliance with employee benefits and welfare regulations. The department is also responsible for developing and implementing payroll systems, additional income policies, and employee recruitment standards.

General Planning Department

This department advises and supports the Chairman and CEO in formulating the Company's short-term and long-term business plans. It is responsible for organizing, monitoring, and ensuring compliance with the Company's internal regulations and policies.

Accounting & Statistics Department

This department assists the Chairman and CEO in ensuring compliance with government regulations on finance and accounting. It is responsible for preparing financial statements, managing revenues and expenditures, and overseeing the Company's assets and materials. Additionally, it advises the CEO on the effective management and utilization of capital and assets in business operations and administers the allocation of funds in accordance with state regulations.

Business Department

This department is responsible for managing the entire water supply network to ensure safe and efficient operations. It also oversees customer management and organizes clean water service operations to achieve optimal performance.

Technical & Materials Department

This department advises and supports the Chairman and CEO in developing and implementing technical processes and standards to enhance operational efficiency. It manages the water supply system, machinery, and equipment while coordinating with the plant for maintenance and repairs as scheduled. Additionally, it oversees the technical aspects of construction projects in compliance with the Construction Law, Bidding Law, and other relevant regulations. The department is also responsible for supplying materials to the plant and construction sites, as well as managing the Construction Enterprise and execution teams..

Loss Prevention Department.

This department is responsible for detecting, analyzing, and assessing potential pipeline leaks and implementing measures to prevent water loss within the distribution system. It monitors and controls the leakage rate across the transmission network.

Additionally, it handles the inspection, repair, and sealing of water meters as requested by the Business Department. It is also responsible for relocating both individual and network-based meters, inspecting newly acquired meters before use, and ensuring the accuracy of all meters in the water supply system in compliance with national metrology regulations. Furthermore, the department conducts maintenance and repairs on valves with a diameter of 80mm or larger.

Doi Ngo Water Supply Enterprise

This enterprise is responsible for managing and operating the entire water supply system in Doi Ngo Town, Luc Nam District. It oversees all assets and ensures the safety of materials and equipment at the water treatment facility and Pump Station I.

Operations are conducted in strict compliance with production processes, with well-organized shifts and accurate handovers. The enterprise maintains industrial hygiene and a clean environment while ensuring the safe operation of machinery and implementing fire and explosion prevention measures. It also manages the storage of chemicals and spare materials for production needs.

Additionally, the enterprise carries out regular maintenance and repairs on the entire clean water production system. It is responsible for customer management, record-keeping, meter reading, and collecting water fees, which are deposited into the Company's designated accounts as per regulations.

Construction Enterprise

This enterprise is responsible for executing tasks assigned by the Company through labor contracts with designated teams. Its scope of work includes installing additional water meters, installing new pipelines, replacing and repairing existing water supply pipelines, and carrying out other construction tasks as assigned by the Company.

Project Management Board

This board oversees projects in which the Company is the investor, ensuring compliance with the Construction Law. It is responsible for executing project investments in accordance with the Construction Law, Bidding Law, and related regulations. Additionally, it assumes full legal responsibility for all project activities..

Bac Giang Water Plant

The plant is responsible for producing clean water that meets quality standards to ensure adequate supply for customers. It conducts maintenance and repairs on equipment, the clean water production system, and water meters in accordance with manufacturer guidelines. Additionally, it provides mechanical processing services to support the Company's operations.

SUBSIDIARIES & AFFILIATES

Currently, Bac Giang Clean Water Joint Stock Company has no subsidiaries, affiliates, or joint ventures..

5. DEVELOPMENT ORIENTATION

The investment plan and business operations of Bac Giang Clean Water Joint Stock Company are determined by the General Meeting of Shareholders. Leveraging the Company's existing advantages and considering market forecasts and future demand in Bac Giang province, the Company has outlined the following key business development directions::

Planning Basis

- Based on the Company's business performance in previous years.
- Based on the approval for the adjustment of Bac Giang province's master plan for the 2021–2030 period, with a vision toward 2050, as stated in Decision No. 1279/QĐ-TTg dated October 28th, 2024.
- Based on Decision No. 737/QĐ-UBND dated July 21st, 2021, approving the land use planning of Bac Giang City until 2030.

Development Objectives

- The Company strives to achieve continuous growth and expansion, aiming to take over the management of additional water supply facilities in urban areas across the province.
- It is committed to operating efficiently in both financial and socio-economic aspects while improving the living standards of its employees. The Company aligns its development objectives with the advancement of urban water supply systems within the province.
- Capital is preserved and expanded, with dividends increasing annually.

Development Strategy

- Ensure compliance with the directives of the Provincial People's Committee and relevant regulatory authorities in water supply management, maintaining stability in the Company's operations post-equitization.
- Ensure water supply meets current regulations and standards while fulfilling the water usage needs of residents in areas under the Company's water supply network management.
- Build a unified and cohesive team of officers and employees to successfully achieve the assigned targets and plans.
- Expand business activities and markets to increase the company's revenue and profitability.

6. RISKS

Economic Risks

The development of the economy impacts all sectors, industries, and entities, including Bac Giang Clean Water Joint Stock Company. Risks arise from fluctuations in key macroeconomic indicators such as GDP growth rate, inflation, interest rates, and exchange rates...

Legal Risks

Legal risks are systemic and impact various aspects of society, including the water industry. Any changes in government policies inevitably affect the Company's operations.

Currently, the Company faces risks associated with operating under Vietnam's evolving legal framework, which remains inconsistent, complex, and sometimes overlapping. As Vietnam continues its development, its legal system is still undergoing significant revisions. Changes in policies and regulations will naturally impact the Company's business activities. However, legal risks affect the entire system, requiring businesses to adapt and adjust to maximize profitability.

Environmental Risks

As the Company's core activity involves water extraction and supply, its operations inevitably have some environmental impact on areas surrounding its facilities. Additionally, the quality of the water supplied directly affects public health and daily life.

The Company is fully aware of its environmental responsibilities and takes proactive measures, including regular water quality inspections, proper storage of water treatment chemicals, and enhanced monitoring to minimize water loss risks. Furthermore, the Company continuously invests in and applies new technologies in production to reduce pollution risks. It also maintains strict control and assessment of its operations' environmental impact.

The applied technology system is regularly maintained to ensure that machinery remains in optimal working condition, delivering clean water to customers efficiently.

Risks Related to the Water Distribution Network

For a company engaged in water extraction and supply, the risk of water loss is a primary concern. The most significant risks include pipeline leaks and damages, which result in water loss, impacting both customers' water supply and the company's business operations. Given the extensive distribution network, monitoring and control efforts face considerable challenges. Additionally, some individuals fail to comply with regulations, engaging in fraudulent activities such as tampering with water meters, leading to substantial losses. To address these issues, the company's Water Loss Prevention Department regularly inspects and reviews the water supply system to mitigate potential risks. Furthermore, the company has a structured plan for repairing and upgrading pipelines, constructing fences, and building security facilities for pumping stations and booster stations. Increased monitoring and supervision efforts are also implemented to detect and prevent fraudulent activities among households and production facilities to minimize water loss. on efforts are also implemented to detect and prevent fraudulent activities among households and production facilities to minimize water loss.

Other Risks

Other risks, such as war, natural disasters, fires, and pandemics, are force majeure events. Although rare, their occurrence can cause significant damage to assets, human resources, and the company's overall operations. While these risks cannot be entirely eliminated, they can be mitigated.

Therefore, the company closely monitors and assesses relevant information to implement timely preventive and response measures. Additionally, it strictly adheres to regulations and regularly conducts training on fire prevention, occupational safety, and emergency response to ensure effective fire protection and workplace safety management.

II. OPERATING PERFORMANCE IN 2024

1. BUSINESS PERFORMANCE COMPARED TO THE PREVIOUS YEAR

Unit: billion VND

Indicator	Actual in 2023	Actual in 2024	2024/2023 (%)
Net revenue	170.809	179.980	105.36
Cost of Goods Sold	103.637	110.338	106.47
Profit Before Tax	15.311	14.889	97.24
Profit After Tax	11.716	11.487	98.05

Unit: billion VND

No.	Indicator	Actual in 2023	Actual in 2024
1	Revenue Structure by Product		
-	Clean Water	166.702	174.487
-	Construction and Installation	4.131	5.512
2	Revenue Structure by Region		
-	Bac Giang City Area	165.055	173.298
-	Luc Nam Area	5.777	6.700
3	Revenue from Sales and Service	170.833	179.980

IMPLEMENTATION OF THE BUSINESS PLAN

Indicator	Unit	Plan for 2024	Actual in 2024	Actual in 2024/ Plan for 2024 (%)
Total Revenue and Other Income	Billion VND	180.000	182.23	101.24
Profit After Tax	Billion VND	11.200	11.48	102.5
Dividend	VND	555	570	102.7

The total revenue for the company in 2024 was 182.23 billion VND, achieving 101.24% of the planned target. The after-tax profit reached 11.48 billion VND, exceeding the planned target. Overall, in 2024, the company operated effectively, as demonstrated by the fact that all key performance indicators exceeded the set targets. (The official dividend will be approved at the Annual General Meeting of Shareholders in 2025.)

2. ORGANIZATION AND HUMAN RESOURCE

BOARD OF DIRECTORS

The Board of Directors consists of five (05) members.

The term of office for each member of the Board of Directors is 5 years (2021-2026 term).

Mr. Huong Xuan Cong - Chairman of the Board of Directors

- Date of birth: March 28th, 1969
- Professional Qualification: Master's degree in Construction..
- **Career history:**
- From 08/1993 to 12/1996: Technician, Technical - Materials Department, Ha Bac Water Supply and Drainage Company
- From 01/1997 to 05/2005: Head of Technical - Materials Department, Ha Bac Water Supply and Drainage Company
- From 05/2005 to 10/2011: Deputy Director, Bac Giang Water Supply One Member Limited Liability Company
- From 10/2011 to 11/2015: Chairman and Director, Bac Giang Water Supply One Member Limited Liability Company
- From 11/2015 to 04/2017: Chairman of the Board and Director, Bac Giang Clean Water Joint Stock Company
- From 05/2017 to present: Chairman of the Board, Bac Giang Clean Water Joint Stock Company
- * **Total Shares Owned:** 9,481,249 shares, accounting for 52.24% of the Charter Capital
- Ownership representation: 9,256,249 shares, accounting for 51% of the Charter Capital
- Personal ownership: 225,000 shares, accounting for 1.24% of the Charter Capital

Mr. Tran Dang Dieu - Member of the Board of Directors, Director (CEO)

- Date of birth: May 20th, 1972
- Professional Qualification: Master's in Economic Management
- * **Career history:**
- From 10/1995 to 12/2002: Technical Officer, Bac Giang Water Supply and Drainage Company
- From 01/2003 to 02/2005: Deputy Head of the Technical Department, Bac Giang Water Supply and Drainage Company
- From 03/2005 to 11/2011: Head of the Technical Department, Bac Giang Water Supply and Drainage Single Member Limited Liability Company
- From 12/2011 to 11/2015: Deputy Director, Bac Giang Water Supply and Drainage Single Member Limited Liability Company
- From 12/2015 to 04/2017: Deputy Director, Bac Giang Clean Water Joint Stock Company
- From 05/2017 to Present: Director, Bac Giang Clean Water Joint Stock Company
- * **Total Shares Owned:** 100,100 shares, accounting for 0.55% of the Charter Capital
- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 100,100 shares, accounting for 0.55% of the Charter Capital

3. Mr. Bui Vinh Bac - Member of the Board of Directors, Deputy Director of the Company

- Date of Birth: April 25th, 1984
- Professional Qualification: Master's degree in Water Supply and Sewerage Engineering

*** Career history:**

- From 07/2009 to 04/2012: Staff of the Planning – Technical Department, Thuy Loi Construction and Installation Joint Stock Company.
- From 05/2012 to 12/2015: Staff of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company.
- From 01/2016 to 12/2017: Deputy Head of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company
- From 01/2018 to 05/2022: Head of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company.
- From 06/2022 to Present: Deputy Director, Bac Giang Clean Water Joint Stock Company.

*** Total Shares Owned:** 77,700 shares, accounting for 0.428 % of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 77,700 shares, accounting for 0.428% of the Charter Capital

4. Mrs. Nguyen Thi Phuong Thao - Member of the Board of Directors, Chief Accountant.

- Date of Birth: April 16th, 1977
- Professional Qualification: Bachelor's degree in Economics

*** Career history:**

- From 1999 to 2000: Worked at Phu Thai Co., Ltd., Hanoi
- From 2001 to Present: Working in the Accounting Department, Bac Giang Clean Water Joint Stock Company.

*** Total Shares Owned:** 93,500 shares, accounting for 0.515% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 93,500 shares, accounting for 0.515% of the Charter Capital

5. Mr: Nguyen Trong Hieu - Member of the Board of Directors.

- Date of Birth: December 1st, 1973
- Professional Qualification: Doctorate in Business Administration

*** Career history:**

- From 2019 to Present: Chairman of the Board of Directors, DNP Hawaco Joint Stock Company.
- From 2021 to Present: Chairman of the Board of Directors, Hung Yen Clean Water Joint Stock Company.
- From 2022 to Present: Member of the Board of Directors, Son La Water Supply Joint Stock Company.
- From 2023 to Present:
 - + Member of the Board of Directors, Soc Trang Water Supply Joint Stock Company.
 - + Member of the Board of Directors, Thua Thien Hue Water Supply Joint Stock Company.
- From 2024 to Present: Member of the Board of Directors, Bac Giang Clean Water Joint Stock Company.

*** Total Shares Owned:** 0 shares, accounting for 0% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 0 shares, accounting for 0% of the Charter Capital

Supervisory Board

Mrs. Nguyen Thi Thanh Thuy - Head of the Supervisory Board.

- Date of Birth: June 13th, 1977
- Professional Qualification: Bachelor's degree in Economics

*** Career history:**

- From 01/01/2003 to 30/3/2013: Worked in the Organization – Administration Department, Bac Giang Clean Water Joint Stock Company.
- From 01/4/2013 to Present: Working in the Business Department, Bac Giang Clean Water Joint Stock Company.

*** Total Shares Owned:** 35,000 shares, accounting for 0.19% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 35.000 shares, accounting for 0.19% of the Charter Capital

Mrs. Vu Thi Thuy - Member of the Supervisory Board

- Date of Birth: October 12th, 1981
- Professional Qualification: Bachelor's degree in Management Science.

*** Career history:**

- From April 2002 to Present: Working at Bac Giang Clean Water Joint Stock Company

*** Total Shares Owned:** 40,000 shares, accounting for 0.220% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 40,000 shares, accounting for 0.220% of the Charter Capital

Mr: Trinh Kien - Member of the Supervisory Board

- Date of Birth: December 18th, 1979
- Professional Qualification: Bachelor's degree in Economics – Major in Accounting

*** Career history:**

- From 2018 to Present: Member of the Board of Directors, DNP Hawaco Joint Stock Company.
- From 2023 to Present: Chairman of the Board of Directors, Dong Nai Plastic Joint Stock Company.
- From 2024 to Present: Member of the Supervisory Board, Bac Giang Clean Water Joint Stock Company.

*** Total Shares Owned:** 0 shares, accounting for 0% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 0 shares, accounting for 0% of the Charter Capital

HUMAN RESOURCES & HUMAN RESOURCE POLICIES

Policies for Employees:

- Total Employees as of December 31st, 2024: 267 employees
- The Company's salary policies are based on the wage regulations set by the State.
- In accordance with labor laws, business plans, and the Company's operational situation, the Company implements appropriate salary and bonus policies to incentivize employees while ensuring financial stability for its workforce.
- The specific salary fund plan is determined by the Board of Directors based on proposals from the Executive Board, in compliance with applicable regulations.
- The Company fully adheres to labor policies in accordance with legal regulations, the Collective Labor Agreement, and internal company policies:
 - + Salaries and bonuses are paid based on the Company's compensation and reward policy, considering job complexity and performance.
 - + The Company provides Social Insurance, Health Insurance, and Unemployment Insurance for employees as per State regulations.

3. INVESTMENT SITUATION & PROJECT IMPLEMENTATION

Aligned with the Company's overall objectives and the urban and economic development trends of Bac Giang City and neighboring districts, the Executive Board developed an investment plan at the beginning of 2024 with a projected value of 21 billion VND. Results: The actual investment reached 24.12 billion VND, achieving 114.85% of the annual target

Details:

- Renovation of the Treatment Facility construction	0.83	billion VND
- Industrial water supply system for Lang Cao Industrial Cluster:	0.9	billion VND
- Water supply system for Ngoc Ly Commune:	2.2	billion VND
- Remaining water supply systems for Nghia Trung and Que Nham	3.5	billion VND

Communes:

- Water supply system for Tam Di - Tien Nha Communes:	07	billion VND
- Replacement of water meters, network zoning, and assessment of water	3.9	billion VND
loss and leakage	3.9	billion VND
- Renovation, upgrading, and repair of water supply pipelines.	1.89	billion VND
- Purchase of an excavator		

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

4. SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

a) Shares:

Bac Giang Clean Water Joint Stock Company has issued **18,149,446** shares, including:

- Common shares: **18,149,446** shares
- Preferred shares: **0** shares
- Outstanding shares: **18,149,446** shares
- Treasury shares: **0** shares
- Par value per share: **10,000 VND**

b) Shareholders Structure

Shareholder	No. of Shareholders	No. of Shares	Percentage (%)
State-Owned Shareholder	1	9,256,249	51%
Institutional Shareholder	1	4,535,500	24.99%
Individual Shareholder	272	4,357,697	24.01%
Total	274	18,149,446	100.00%

(According to the shareholder list finalized on March 10th, 2025, by the Vietnam Securities Depository and Clearing Corporation)

List of Major Shareholders

Name of Organization/Individual	Registered Ownership Number	Address	No. of Shares	Percentage
People's Committee of Bac Giang Province	1705/QĐ-UNBD	Hung Vuong Street, Bac Giang City, Bac Giang Province	9,256,249	51%
DNP Hawaco Joint Stock Company		No. 25 Ly Thuong Kiet Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi	4,535,500	24.99%

Shareholding Ratio of the Board of Directors

Shareholder	Position	No. of Shares	Percentage (%)
Huong Xuan Cong	Chairman of the Board of Directors	225,000	1.24%
Tran Dang Dieu	Member of the Board of Directors, Director	100,100	0.55%
Bui Vinh Bac	Member of the Board of Directors, Deputy Director	77,700	0.428%
Nguyen Thi Phuong Thao	Member of the Board of Directors, Chief Accountant	93,500	0.515%
Nguyen Trong Hieu	Member of the Board of Directors	0	0%

Shareholding Ratio of the Supervisory Board

Shareholder	Position	No. of Shares	Percentage (%)
Nguyen Thi Thanh Thuy	Head of the Board of Supervisors	35,000	0.19%
Trinh Kien	Member of the Supervisory Board	0	0%
Vu Thi Thuy	Member of the Supervisory Board	40,000	0.22%

III. REPORT OF EXECUTIVE BOARD

1. ASSESSMENT OF OPERATING RESULTS

BUSINESS ENVIRONMENT CHARACTERISTICS IN 2024

As a joint-stock company with 51% state ownership, the Company closely adheres to the policies and directives of the Party and the Government, as well as the Enterprise Law. In particular, it aligns its operations with local socio-economic development programs relevant to its industry, ensuring effective business management and operations..

The Company benefits from the support and guidance of the Provincial Party Committee, the People's Committee of Bac Giang Province, relevant departments, the People's Committee of Bac Giang City, Luc Nam District, and local ward and commune authorities. Additionally, the Company's workforce remains united, responsible, and disciplined. The business environment is favorable, with a steadily growing customer base and the sale of clean water, a fundamental necessity for every household.

GENERAL ASSESSMENT OF OPERATIONS IN 2024

Achievements

In 2024, the Party Committee, Board of Directors, and Executive Board focused on developing practical and effective business programs, plans, and targets. With the dedication of functional departments and the collective efforts of all employees, the Company successfully fulfilled its assigned tasks, including: Ensuring water production quality, flow rate, and pressure; Maintaining close and effective coordination in purchasing wholesale clean water from DNP Company; Successfully implementing renovation and investment projects at the water plant and distribution network, meeting technical and quality standards; Preserving and growing the Company's capital, fulfilling tax obligations to the State; Ensuring full compliance with employee benefits and policies, providing stable incomes, fostering trust and commitment among employees in the Company's leadership..

Challenges & Existing Limitations

Challenges

In 2024, the Company also faced several challenges, including:

- Raw water sources (Thuong River and Luc Nam River) are at constant risk of pollution due to untreated wastewater discharge, environmental pollution from various sources such as engine oil from barges and boats, illegal waste dumping, and household wastewater from riverside residents

- Customer development and market expansion have become increasingly challenging as the provincial government has designated water supply zones for multiple service providers. Moreover, potential expansion areas are mainly in rural regions where residents still prefer using well water, resulting in a low demand for clean water.

- Investment challenges: Expanding into rural areas requires extensive pipeline infrastructure, leading to high investment costs. Additionally, the process of obtaining construction permits from various authorities is time-consuming, causing delays in project implementation compared to planned schedules.

- Global economic fluctuations have affected domestic businesses and foreign enterprises operating in Vietnam. Consequently, the production scale of businesses, including those that are Company clients, has declined, directly impacting the Company's water supply volume.

Existing Limitations

- Departments have not kept up with policy changes and regulatory updates in a timely manner. As a result, their advisory role to the leadership team has not been fully effective.
- The supervision and enforcement of professional tasks by department heads and deputies have not been sufficiently rigorous.
- Customer Service: Some employees have not made sufficient efforts to improve their expertise, leading to difficulties in addressing customer inquiries, particularly regarding monthly water usage readings and water quality. Additionally, there have been delays in receiving and handling customer complaints
- Water Quality Treatment: An optimal solution has yet to be found to ensure effective water treatment and production when ammonium levels in raw water rise abnormally.
- Maintenance work at Bac Giang Water Plant and Doi Ngo Water Supply Enterprise has not been carried out in a timely manner.
- The construction of the new headquarters has not yet been implemented.
- The survey and investment planning for water distribution network development have lacked a long-term vision in assessing sustainable water supply needs.

Causes:

Objective Causes:

- Protection of the Thuong River raw water source cannot be achieved by the Company alone; it requires intervention from local authorities. Although the Company has reported this issue to the Provincial People's Committee for direction, no significant improvements have been observed.
- Raw water quality in the Thuong River experiences sharp fluctuations in key parameters during the dry season due to wastewater discharge, while the replenishment of upstream water is insufficient.
- Construction of the New Headquarters: Due to frequent changes in land policies, the approval procedures for adjusting the Resolution of the Provincial People's Council and the Master Plan must go through multiple stages.
- Communication and dissemination of tasks to employees have not been conducted regularly.
- Adjusting water prices remains challenging due to the overall economic difficulties. Additionally, industrial zones and clusters are scaling down production.

Subjective Causes:

- The Executive Board has not been proactive and persistent in working closely with relevant authorities to enhance the protection of the Thuong River water source..
- Water Plant Operations: The plant unit has not proposed effective solutions for monitoring and detecting wastewater discharge that negatively impacts river water quality during the dry season. There is a lack of innovation, and employees have yet to fully utilize their roles in providing recommendations, managing plant operations, and ensuring water treatment and quality control when Thuong River water conditions fluctuate.
- Some department and unit leaders have not been strict enough in addressing employee violations. Instead of enforcing corrective actions, they have only issued reminders, failing to create motivation for employees and fostering accountability among those who made mistakes.
- Some employees have not been proactive in studying and learning about new regulations; their sense of responsibility and commitment to assigned tasks remains low.

DETAILED ASSESSMENT OF ALL ASPECTS OF OPERATIONS IN 2024

Leadership and Direction in Task Execution

Immediately after the Employee Conference, the Party Committee and the Executive Board directed all departments to effectively fulfill their functions and responsibilities in water production, business operations, and investment in expanding the water supply network. These efforts have contributed to maintaining the strong brand reputation of Bac Giang Clean Water Joint Stock Company in an increasingly competitive business environment..

A monthly briefing conference is held to evaluate the overall performance of the company and assess the task execution of each department. Based on these evaluations, appropriate directions and solutions are proposed for the following month. Additionally, the company ensures timely resolution of proposals and recommendations from various units during task implementation.

The Executive Board has directed business operations to ensure efficiency in three key areas: clean water production, clean water distribution, and investment in expanding the water supply network.

Strictly comply with the directives and regulations issued by the Government, ministries, the Provincial Party Committee, and the Provincial People's Committee..

The Party Committee and the Executive Board have held meetings with each specialized department to provide direction and evaluate various aspects, including business operations, customer development, investment activities, measures to prevent water loss and revenue leakage, pipeline replacement for substandard sections, network operation, and management. Additionally, efforts have been made to raise employees' awareness of the challenges the company must overcome to thrive in its business operations. Employees are encouraged to work alongside the company in addressing difficulties, improving productivity, and optimizing cost efficiency.

Implementation of Production Tasks.

Recognizing that the top priority of the company is to organize efficient business operations to ensure stability, sustainability, and growth, all production processes and regulations have been strictly implemented. This is carried out under rigorous supervision and frequent inspections from directly assigned management, supervisors, and shift leaders. Both the Bac Giang Water Plant and Doi Ngo Water Supply Enterprise are required to consistently meet three key criteria in production: quality, flow rate, and pressure..

Over the past year, the Bac Giang Water Plant and Doi Ngo - Luc Nam Water Supply Enterprise have strictly adhered to production procedures and regulations. As a result, 100% of water samples were monitored and assessed by the Bac Giang Provincial Center for Disease Control, meeting the Local Technical Regulations on Clean Water Quality for Domestic Use (QCĐP 01:2021/BG). Additionally, the Department of Health has approved the declaration of conformity for water quality at both the Bac Giang Water Plant and Doi Ngo Water Supply Enterprise.

The pipelines from the Treatment Area to the Booster Pump Station were cleaned using the foam pigging method. Additionally, regular and thorough maintenance of machinery and equipment was strictly implemented. Any incidents were promptly addressed to ensure the water supply system operates safely and at maximum efficiency..

The Company has proactively adjusted operations to reduce peak-hour consumption and during periods of abnormal fluctuations in raw water quality. This approach aims to optimize electricity costs, ensure effective and safe water treatment, minimize energy expenses, reduce excess pressure in the network, and decrease water loss for the Company.

The Company has implemented operational procedures to integrate water supply into the distribution network when utilizing two water sources within the system. It also regularly monitors the quality of water supplied by DNP into the Company's network in compliance with regulations.

The Company has implemented the regulations outlined in the "Safe Water Supply Handbook" to prevent, mitigate, and address risks and incidents throughout the water production and supply process. This ensures the delivery of safe and clean water to customers, contributing to an improved quality of life for the community.

Clean Water Business Operations

Currently, the Company has essentially completed the water supply for 16 wards and communes of Bac Giang City, as well as Nghia Trung Commune in Viet Yen District and Ngoc Ly Commune in Tan Yen District. The Company is currently continuing to expand its water supply network in these areas.

In Doi Ngo Town, Luc Nam District, the Company has taken over the management of part of Ha Phu 12 Hamlet, Thanh Gia 1-2 Hamlets, Dong Thinh Hamlet, Dai Lam Hamlet, Trai Quan Hamlet, and Phu Yen 1 Hamlet. The construction of the water supply system for Phu Yen 2-3 Hamlets, Pham Kha Hamlet, and Dong Thinh Hamlet has been completed and will be brought under management in the near future..

As of December, the Company is managing 74,188 connections (including Bac Giang and Doi Ngo Town). The Company has prioritized customer service through various initiatives, such as simplifying and streamlining new water meter installation procedures, providing customer notifications via Zalo and SMS, and facilitating water bill payments through bank accounts, ViettelPay, and the Payoo system. Currently, the proportion of customers making cashless payments has reached 90.5%, marking an increase of 28.5% compared to 2023. These efforts have enhanced convenience, trust, and customer satisfaction in using the Company's water services.

The Company has implemented water supply zoning for two water sources to ensure adequate flow and quality for different areas..

The Company has effectively coordinated with construction teams in network rehabilitation and customer expansion, as well as with local authorities in managing the water supply system during road, alley, and sidewalk upgrades. This includes promptly replacing substandard pipelines and those from other projects handed over to the Company, especially in cases where pipeline locations are difficult to identify or pose challenges for future maintenance and replacement.

Implementing pipeline cleaning using the foam swab pigging has proven to be highly effective.

The company has enhanced network management, promptly detect and repair incidents and leaks to ensure that customers' water supply needs are met. The company has also strengthened the management of water meters and network valves, with a focus on accurate meter reading, ensuring that monthly payments are fully and timely deposited into the bank and designated funds in accordance with regulations.

The company has improved network management by promptly identifying and addressing incidents and leaks to meet customer demand. Additionally, the company has reinforced the oversight of water meters and network valves, emphasizing precise meter reading and ensuring that monthly payments are fully and timely deposited into the bank and designated funds as required..

Network Loss Prevention Efforts.

Water loss remains a significant challenge for water supply projects nationwide. Therefore, the Company has prioritized and invested in water loss prevention efforts, gradually replacing manual methods with digital transformation. Data is now aggregated and analyzed using specialized software, delivering practical benefits such as:

- Major pipelines have been equipped with smart bulk meters, allowing accurate daily readings. The recorded data is entered into the Company's shared system, enabling the timely detection and resolution of emerging issues.
- A data filtering method is used to review customers' usage history, identifying abnormal water consumption patterns. This allows for targeted inspections and enhanced monitoring to prevent losses effectively.

Results: In 2024, a total of 302 leakage points were identified and detected in the water supply network..

Construction, Installation, and Investment Activities

Aligning with the Company's overall mission and the urban and economic development of Bac Giang City and neighboring districts, the Executive Board developed an investment plan at the beginning of 2024 with a total value of 21 billion VND.

Results: Achieved 24.12 billion VND, reaching 114.85% of the annual plan..

Implementation of Employee Welfare Policies

The Company places great emphasis on salary, bonuses, and employee welfare policies. It has effectively allocated and managed its workforce, ensuring that 100% of employees have stable and regular employment with a steady income. The average monthly income across the Company is 11 million VND per employee. The Company has made full and timely salary payments, with no instances of salary arrears. Additionally, 100% of employees are covered by social insurance, with a total social insurance contribution of 7.142 billion VND paid by the Company in 2024.

The Company ensures the timely implementation of emulation and commendation activities, conducting annual evaluations of emulation titles with fairness and transparency.

The Company promptly grants cash rewards to teams and individuals who have demonstrated outstanding performance in their professional duties. The total reward amount disbursed in the year was 85 million VND.

The Company ensures that all employees across departments are fully equipped with labor protection gear in accordance with regulations.

The working environment is continuously improved through investments in upgrades and the procurement of necessary equipment to support professional activities and enhance working conditions. Key improvements include the construction of new office buildings for management teams and the installation of air conditioning systems at water management units, Bac Giang Water Plant, and the Doi Ngo - Luc Nam Water Supply Enterprise..

Business Performance Results in 2024

Bac Giang Area

No.	Indicators	Unit	2024		
			Plan	Actual	Comparison %
1	Revenue from Water	billion VND	174.5	175.059	100.32
2	Clean Water	Million m ³	17.805	18.021	101.21
	- Company's Water Supply	Million m ³	9.091	9.863	
	- DNP's Water Supply	Million m ³	8.714	8.158	
3	Commercial Water Volume	Million m ³	16.157	16.120	99.77
4	Technological Loss	%	1.9	1.2	- 0.7
	Network Loss	%	10.2	10.55	+ 0.35
5	Customer Growth	Connection	2,000	2,498	124.9

No.	Indicators	Unit	2024		
			Plan	Actual	Comparison %
1	Revenue from Water	billion VND	6.500	7.035	108.23
2	Raw Water Volume	Thousand m ³	771	866	112.32
3	Clean Water Volume	Thousand m ³	748	832	111,23
4	Commercial Water Volume	Thousand m ³	668	734	109.88
5	Technological Water Loss	%	03	3,94	+ 0.94
	Network Water Loss	%	12	11,73	- 0.27
6	Customer Growth	Connection	800	1.643	205.38

2. FINANCIAL SITUATION

In 2024, the Company effectively managed its financial operations, fulfilling all obligations to the State budget and completing internal settlements in compliance with regulations..

a) Asset and Capital Structure

Unit: million VND

Indicator	31/12/2023	31/12/2024	Percentage (%)
Current Assets	94,449	86,026	91.08 %
Non-Current Assets	138,592	144,284	104.1%
Total Assets	233,041	230,310	
Liabilities	40,706	37,581	92.32%
- Current Liabilities	40,706	37,581	92.32%
- Non-Current Liabilities	0	0	
Owner's Equity	192,335	192,728	100.2%
Total Equity and Liabilities	233,041	230,310	

Taxes and Contributions to the State Budget

Unit: VND

Indicator	2023	2024
Value-Added Tax	441,231,645	428,471,530
Corporate Income Tax	3,224,094,235	3,149,097,151
Resource Tax	229,440,298	386,424,402
Personal Income Tax	556,365,510	575,837,310
Household Wastewater Fee	8,066,097,766	8,301,009,214
Other Taxes and Fees	255,750,801	263,311,502
Dividends Paid to the State Budget	4,628,124,500	5,072,424,452
Total	17,401,104,755	18,176,575,561

12. BUSINESS PLAN FOR 2025

Financial Targets for 2025

No.	Indicators	Actual in 2024		Plan for 2025		Growth Rate (%) (Increase/Decrease)
1	Total Revenue	180	billion VND	195	billion VND	+ 8.33 %
2	Profit Before Tax	14	billion VND	17.5	billion VND	+ 25 %
3	Profit After Tax	11,2	billion VND	14	billion VND	+ 25 %
4	State Budget Contributions	18.176	billion VND	19	billion VND	+ 4.53 %
5	Social Insurance Payments	7.142	billion VND	7.3	billion VND	+ 2.21%
6	Average Monthly Income per Employee	11	Million VND	11.5	Million VND	+ 4.5 %

Business and Production Targets for 2025

No.	Indicators	Unit	Actual in 2024	Plan for 2025	Growth Rate (%) (Increase/Decrease)
Bac Giang Area					
1	Revenue from Water	billion VND	175.059	193	+ 10 %
2	Clean Water	Million m ³	18.021	18.300	+ 1.55%
	- Company's Water Supply	Million m ³	9.863	10.100	+ 2.40%
	- DNP's Water Supply	Million m ³	8.158	8.200	+ 0.51%
3	Commercial Water Volume	Million m ³	16.120	16.500	+ 2.36%
4	Water Loss Rate				
	+ Technological Loss:	%	1.2	1.5	0
	+ Network Loss:	%	10.55	10.55	0
5	Customer Growth	Connection	2,498	1,800	- 27.94%
Doi Ngo - Luc Nam Town					
1	Revenue:	billion VND	7.035	7.500	+ 6.6%
2	Raw Water Volume	Thousand m ³	866	910	+ 5.08%
3	Clean Water Volume	Thousand m ³	832	873	+ 4.93%
4	Commercial Water Volume	Thousand m ³	734	770	+ 4.9 %
5	Water Loss Rate				
	+ Technological Loss:	%	3.94	03	- 0.94 %
	+ Network Loss:	%	11.73	12	+ 0.27 %
6	Customer Growth	Connection	1,643	1,000	- 39.14%

Investment Activities for 2025

Based on the Company's business development plan and the clean water demand in Bac Giang City and surrounding areas. The Company has developed an investment plan of 18.55 billion VND.

Including:

- Renovation of Luc Nam Raw Water Pumping Station.	1.5 billion VND
- Continued construction of the water supply system in Ngoc Ly Commune.	1.65 billion VND
- Continued construction of the water supply system in Tam Di and Tien Nha Communes, including Phu Yen 1, 2, 3 Hamlets; Trai Dang, Bac Binh, Tien Nha, Pham Kha Hamlets;	6.5 billion VND
- Replacement of water meters and network zoning for water loss assessment.	4.9 billion VND
- Renovation, upgrading, and maintenance of pipelines.	02 billion VND
- D300 Water Supply Pipeline on Tran Hung Dao Street	0.5 billion VND
- Renovation of the Treatment Area and Booster Pump Station of Bac Giang Water Plant	0.5 billion VND
- Construction of the Company's office headquarters	01 billion VND

IMPLEMENTATION SOLUTIONS

Based on the business performance in 2024 and the 2025 business plan, the Executive Board has outlined the following solutions to successfully implement the 2025 business plan::

Water Production:

Strengthen management, monitoring, and strict compliance with the Safe Water Supply Handbook to ensure safe water production while maintaining flow rate, pressure, and water quality standards for customers.

Continue monitoring wastewater discharge sources into the Thuong River, promptly detecting and reporting any potential threats to raw water quality to the relevant authorities.

Further research and implement effective treatment solutions to ensure adequate clean water production, even when ammonia levels in raw water rise abnormally.

Invest in and adopt new technologies at water plants to improve water quality and labor productivity. Strengthen maintenance and inspection of machinery at Bac Giang Water Plant and Doi Ngo Water Supply Enterprise.

All testing indicators comply with QCVN 08-MT:2023/BTNMT on surface water quality and Local Standard QCĐP 01:2021/BG, which governs the quality of clean water used for domestic purposes in Bac Giang province..

Maintain close coordination with the Department of Natural Resources and Environment to develop solutions for reducing wastewater discharge into the Thuong River.

Business Operations:

Ensure adequate and high-quality water supply to customers. Enhance customer service by: Resolving customer inquiries promptly; Promoting cashless payments through online banking, digital wallets, and automated payment channels; Introducing new convenient customer services, such as online meter installation registration; Using Zalo and SMS notifications to provide timely information to customers; Enhancing staff training programs, including professional skills, communication techniques, and customer service improvements...

Optimize the use of existing water supply infrastructure and customer management software to improve water loss prevention. Strengthen water supply security for Bac Giang City, surrounding areas, and Doi Ngo - Luc Nam Town.

Enforce strict compliance with water meter regulations to track water distribution accurately, minimize water loss, and conduct regular inspections of abnormal water consumption patterns. Verify that the water pricing structure is correctly applied based on customer categories and usage purposes to ensure fairness among all customers.

Develop and revise regulations on the management of water meters, bulk meters, and network operations. Continue flushing pipelines cleaning using foam pigging method...

Enhance flow and pressure control across the network through automation systems.

Coordinate effectively with relevant departments and local authorities to expand the customer base as planned in Tan Yen District, Viet Yen District, and Doi Ngo Town. Work closely with the City Project Management Board and contractors during the city's renovation of alleys and residential areas..

Maintain zoned water supply management between DNP Company and Bac Giang Clean Water Joint Stock Company, coordinating with the water plant to monitor DNP Company's water quality.

Water Loss Prevention and Revenue Protection:

Strengthen network monitoring and pipeline inspections, ensuring immediate repairs for leaks or damages. Apply correct water pricing based on customer usage categories.

Conduct mandatory water meter inspections, focusing on large-capacity meters and replacing outdated meters.

Strengthen water loss prevention by enhancing leak detection through acoustic monitoring, promptly identifying and repairing leakage points.

Continue implementing network zoning and segmentation, installing bulk meters to assess water loss and develop effective reduction strategies. Pilot a water loss management program based on bulk meter measurements.

Investment Activities:

Ensure all investment activities comply with State regulations, prioritizing cost-effectiveness and efficiency.

Strengthen supervision and accountability among project supervisors and construction team leaders.

Ensure construction teams adhere to project timelines, technical specifications, and occupational safety standards.

Conduct post-construction evaluations, assess contractor performance and derive lessons for improvement.

Implement the Company headquarters construction project

Expand the capacity of Doi Ngo - Luc Nam Water Supply Enterprise

Other activities:

Review and update the internal management regulations to align with operational needs, seeking Board approval. Adjust the organizational structure to enhance operational efficiency.

Departments must practice cost-saving measures, eliminate unnecessary expenses, and minimize all costs.

Strictly implement occupational safety training, develop and practice first aid procedures for workplace accidents, and conduct fire prevention and firefighting training sessions.

Enhance supervision and inspection across departments to improve awareness and accountability

Strengthen training programs by actively participating in workshops organized by the Provincial Business Association and relevant industries, inviting expert trainers for in-house training to enhance skills, customer communication, and the adoption of new technologies in business operations. Additionally, ensure employees stay updated on new policies and regulations.

Promote knowledge-sharing and collaboration with other water supply companies to exchange best practices in management, operations, and technological innovation.

Departments, plants, and enterprises should develop internal regulations based on their functions and responsibilities to improve work efficiency and business operations while advising company leadership to ensure effective and legally compliant execution of tasks.

Collaborate with Bac Giang Newspaper and Provincial Radio & Television Station to raise public awareness and confidence in using the Company's clean water services.

Strengthen organizational and union activities to ensure they operate effectively within their functions. Through these organizations, launch meaningful and impactful emulation movements with clear timelines and measurable targets. After each campaign, conduct reviews to evaluate whether objectives were met and identify areas for improvement.

IV. REPORT OF THE BOARD OF DIRECTORS

1. BOARD OF DIRECTORS' ASSESSMENT OF THE EXECUTIVE BOARD

Achievements.

The Executive Board has managed the Company in compliance with the Law on Enterprises, the Company's Charter, and internal management regulations, following the resolutions set forth by the Annual General Meeting of Shareholders and the Board of Directors.

- The Company has maintained stable business operations, successfully balancing pandemic prevention measures with effective performance in three core areas: clean water production, clean water distribution, and investment activities.

- The Company has exceeded the key targets set by the Annual General Meeting of Shareholders, ensuring that business capital is preserved and further developed..

- Employee income and working conditions have been improved and continuously enhanced.

- The Company has ensured that clean water production and supply, its core business, meet three key safety criteria. Additionally, customer service has been enhanced through various improvements, increasing convenience and strengthening customer trust. The procurement of clean water from DNP-BG Company has been effectively coordinated based on a mutually beneficial approach, with both parties strictly adhering to contractual agreements

- The Company has fully and promptly fulfilled all obligations to the State, employees, and shareholders. Throughout the year, there have been no violations requiring disciplinary review under legal regulations or the Company's internal policies..

Existing Limitations

Alongside the significant achievements in managing and operating the Company and implementing the 2024 Annual General Meeting Resolution, which has contributed to the stability and growth of the business while ensuring the rights of shareholders and employees, there remain certain limitations and shortcomings in the governance and executive management that need to be addressed for improved performance in the coming years:

- The Company has not fully leveraged its available resources, including financial capacity, human resources, business advantages, corporate brand, customer trust, and support from the Provincial Party Committee, the People's Committee, and various government departments. As a result, the efficiency of business operations remains limited, failing to deliver high dividends to shareholders.

- The level of decisiveness and specificity in directing the Executive Board and relevant departments has not been strong enough to drive outstanding and effective business performance.

- The advisory work of departments has not fully met the assigned requirements, with shortcomings in keeping up with and updating new regulations. Specifically, there are still gaps in water quality monitoring, financial settlement procedures, investment planning, and procurement management, leading to a reactive rather than proactive approach to real-world changes.

- The application of scientific and technological advancements in management, operations, and water supply technology has not been effectively implemented.

- The supervision and monitoring of the Executive Board, Supervisory Board, departments, divisions, and unions in fulfilling their assigned duties have, at times, been inadequate, lacking timely and close oversight. Consequently, directives from the Board of Directors and the Chairman have not always been executed in a practical and effective manner.

- The Executive Board and the Supervisory Board have sometimes exhibited passivity and limited accountability in executing the directives of the Board of Directors and the resolutions set forth by the Annual General Meeting.

2. BOARD OF DIRECTORS' DIRECTIONS AND OBJECTIVES FOR 2025

The Board of Directors has set forth the following key objectives and action plans for 2025:

1. Successfully organize the 2025 Annual General Meeting of Shareholders and ensure safe and efficient business operations..
2. Direct the effective implementation of the 2025 General Meeting of Shareholders' Resolution, closely monitor and supervise the execution of resolutions by the Board of Management, Supervisory Board, and all company departments to ensure consistency and alignment. Strive to achieve and exceed the business targets set by the General Meeting.
3. Focus on directing efforts to enhance the quality of water supply services to strengthen customer trust and maintain a competitive edge in the market.
4. Continue reviewing and refining corporate governance policies and internal management regulations, ensuring alignment with state laws and the company's operational characteristics.
5. Strengthen monitoring and supervision to support the Board of Management, the Supervisory Board, and all departments in effectively executing the resolutions of the General Meeting of Shareholders. Pay close attention to investment efficiency, business operations, and the optimal use of capital and other resources.
6. Enhance shareholder relations, especially with major shareholders, ensuring timely, transparent, and comprehensive information disclosure in accordance with legal regulations and the Company Charter.
7. Fully comply with legal regulations applicable to public companies and other relevant laws in business operations and related activities, ensuring a balanced and fair distribution of benefits among all stakeholders
8. Proactively invest in the application of science and technology, as well as advanced and modern management methods, in the administration of business operations. Special emphasis will be placed on investments in production areas to ensure the quality of clean water products, consistently meeting the standards of "Clean water for drinking and domestic use." Additionally, there will be a strong focus on enhancing customer service quality to meet the increasingly high expectations of customers.
9. Collaborate with local authorities and communities to protect and improve the water quality of the Thuong and Luc Nam Rivers, ensuring sustainable water sources for production.
10. Maintain close cooperation with DNP - Bac Giang Water Infrastructure Investment Co., Ltd in implementing the "Wholesale Clean Water Purchase" Contract based on the principles of Trust - Cooperation - Mutual Development. Promptly address any arising issues to prevent disputes and conflicts of interest.
11. Continue completing the construction of the Company's Office Headquarters.

V. CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

a) Members of the Board of Directors and Structure.

Name	Position	No. of Shares Owned	No. of Shares Owned
Huong Xuan Cong	Chairman of the Board	225,000	1.24 %
Tran Dang Dieu	Board Member	100,100	0.55 %
Bui Vinh Bac	Board Member	77,700	0.428 %
Nguyen Thi Phuong Thao	Board Member	93,500	0.515 %
Nguyen Trong Hieu	Board Member	0	0 %

b) Board of Directors' Activities.

General Governance Functions per the Charter

- The BOD closely followed the resolutions of the Annual General Meeting of Shareholders and actual business conditions to guide all business and operational activities, ensuring the fulfillment of assigned targets. The BOD maintained monthly meetings with the participation of the Executive Board, the Supervisory Board, and department heads to promptly address concerns and facilitate effective decision-making.

- The BOD unanimously approved key management issues, based on recommendations from the Executive Board, including:

- + Approval of the 2024 business performance report and the 2025 business plan.
- + Review and approve quarterly, semi-annual, and annual financial reports. The independent auditor provided evaluations and feedback based on the Executive Board's proposals.
- + Disclosure of information as per State Securities Commission regulations and Company's Charter.
- + Issuance of additional internal governance regulations. Each month, the Chairman of the Board of the Directors issues a meeting conclusion report, which is disseminated to all employees to ensure proper implementation.
- + Approval of budget estimates and procurement bidding results for equipment and materials serving business operations within the scope of authority, based on proposals from the Executive Board.
- + Investment decisions in accordance with the Company's development plan, including approving infrastructure projects as outlined in the strategic plan.

c) Oversight of the Executive Board:

- The Board of Directors exercised its oversight role over the Executive Board and all company departments to ensure effective governance.

- The Board of Directors regularly directs and evaluates the implementation of business operations and other activities to ensure efficiency and alignment with the Company's actual conditions.

- The Board of Directors actively provided guidance and promptly resolved difficulties to facilitate the Executive Board and departments in effectively directing and organizing business operations.

Investment Management:

The Board of Directors approved investment projects in production facilities and the expansion of pipeline networks to develop customer bases in areas where the Company has potential for clean water business. These decisions were made based on analysis and voting by BOD members, following recommendations from the Executive Board to serve business operations, implement the resolutions of the Annual General Meeting of Shareholders, and address emerging practical needs.

Financial management:

Financial management has always been a key focus of the Board of Directors, ensuring transparency and compliance with legal regulations while safeguarding the legitimate interests of shareholders. Financial management was assessed through regular oversight by the Company's Supervisory Board and evaluations from independent auditors based on mid-year review reports and the annual financial audit report.

Oversight of the Supervisory Board:

The Board of Directors always directs and facilitates the Supervisory Board in conducting inspections of business operations, financial management, personnel affairs, employee compensation policies, and profit distribution to shareholders. These activities are carried out in accordance with the principles of independence, transparency, and compliance with the Company Charter and relevant legal regulations.

Shareholder Relations:

The Board of Directors has fully complied with legal requirements regarding information disclosure for shareholders.

- The disclosure policy was strictly implemented following the regulations of the State Securities Commission, ensuring compliance with the characteristics of the Company as a large-scale public enterprise.
- The Board of Directors provided complete information on the Company's website, ensuring equal access for all shareholders.
- Ensuring that all shareholder rights as stipulated by law, the Company's Charter, and the resolutions of the Annual General Meeting of Shareholders were fully and seriously implemented.
- The Board of Directors always strictly adheres to the process of seeking approval from the Annual General Meeting of Shareholders regarding investment projects, clean water production and business operations in the region, profit distribution, capital preservation and development, financial management. Particularly, the Board of Directors ensures compliance with obligations towards the Provincial People's Committee, which holds a dual role as both the legal representative of the state ownership and the majority shareholder, owning 51% of the company's shares

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

Currently, there are no independent members in the Company's Board of Directors structure

SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS

Currently, there are no subcommittees under the Company's Board of Directors structure

5. RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

No.	Resolution No.	Date	Content
1	03/QĐ-HĐQT-NSBG	26/01/2024	Addition of members and consolidation of positions in the Project Management Board
2	04/QĐ-HĐQT-NSBG	26/01/2024	Addition of members and consolidation of the position of Team Leader for the Appraisal Expert Team
3	05/NQ-HĐQT-NSBG	05/02/2024	Approval of the organization of the 2024 Annual General Meeting of Shareholders
4	08/NQ-HĐQT-NSBG	13/3/2024	Advance payment for the purchase of water from DNP Water Infrastructure Investment Joint Stock Company - Bac Giang
5	10/QĐ-HĐQT-NSBG	13/3/2024	Reinforcement of personnel for the Procurement Team
6	24/NQ-HĐQT -NSBG	16/4/2024	Payment of dividends for the year 2023 to shareholders
7	25/QĐ-HĐQT-NSBG	17/4/2024	Issuance of internal management regulations
8	27/QĐ-HĐQT-NSBG	24/4/2024	Appointment of Deputy Head of the Electrical and Mechanical Team
9	28/QĐ-HĐQT-NSBG	24/4/2024	Appointment of Team Leader for the Network Management Team
10	30/NQ-HĐQT-NSBG	30/5/2024	Selection of the financial auditing firm for 2024
11	31/NQ-HĐQT-NSBG	30/5/2024	Signing of the contract for the purchase of mechanical watches and accessories with NDP Hawaco Joint Stock Company.
12	32/QĐ-HĐQT-NSBG	01/7/2024	Regarding the appointment of the Deputy Head of the Repair Team in the Sales Department
13	33/QĐ-HĐQT-NSBG	01/8/2024	Regarding the reappointment of the position of Shift Leader and Team Leader
14	34/QĐ-HĐQT-NSBG	01/8/2024	Regarding the appointment of the Head of the Technical - Materials Department

2. SUPERVISORY BOARD

a) Members of the Supervisory Board and Structure

Name	Position	No. of Shares Owned	No. of Shares Owned
Nguyen Thi Thanh Thuy	Head of the Supervisory Board	35,000	0.19 %
Vu Thi Thuy	Member of the Supervisory Board	40,000	0.22 %
Trinh Kien	Member of the Supervisory Board	0	0 %

b) Supervisory Board Activities

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

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

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

c) Assessment of Compliance with Corporate Governance Regulations.

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

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

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

- The Board of Directors promptly implemented the resolutions of the General Meeting of Shareholders. No irregularities were identified in the operations of the Board of Directors, Executive Board, or management team.
- Resolutions issued by the Board of Directors complied with its authority, aligned with the strategic direction and resolutions of the General Meeting of Shareholders.
- Sufficient capital resources were ensured for business and investment activities. Customer debt recovery was conducted in a timely and comprehensive manner, and payments to suppliers were made on schedule, maintaining strong liquidity and a reasonable debt ratio.
- The Company ensured compliance with Vietnamese Accounting Standards (VAS) and financial reporting regulations, including: Circular 200/2014/TT-BTC issued by the Ministry of Finance and other relevant regulations guiding financial reporting and accounting standards
- Investment management and implementation were carried out in accordance with legal and regulatory requirements.

Implementation of General Meeting of Shareholders's Resolutions and Key Business Objectives in 2024

Asset Management

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

- Fixed Asset Value as of December 31st, 2024
- Original Cost of Fixed Assets: 351,028,240,560 VND
- Accumulated Depreciation: 247,729,471,996 VND
- Net Book Value: 103,298,768,564 VND

Debt Management:

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

- Accounts Receivable: **21,013,640,079 VND**, including::
 - + Short-term trade receivables: 1,977,019,211 VND
 - + Short-term advances to suppliers: 18,726,962,033 VND
 - + Other short-term receivables: 511,905,835 VND
 - + Provision for doubtful short-term receivables: (202,247,000 VND)
- Accounts Payable: **37.581.821.506 VND**, including:
 - + Short-term trade payables: 634,402,602 VND
 - + Short-term advances from customers: 198,000,000 VND
 - + Taxes and amounts payable to the State: 2,191,069,947 VND
 - + Employee payables: 13,374,319,900 VND
 - + Short-term accrued expenses: 19,415,231,819 VND
 - + Other short-term payables: 303,000,000 VND
 - + Bonus and welfare fund for 2024: 1,148,775,931 VND

Implementation of the 2024 Business and Production Plan

Unit: VND

No.	Indicator	Actual in 2023	Actual in 2024	Actual in 2024/2023 (%)
1	Total Revenue and Other Income	175,598,416,912	182,232,524,814	103,78
	Financial income	3,884,529,616	1,297,310,454	33.4
	Other income	904,221,388	954,215,926	105.5
	Net revenue from sales and services	170,809,665,908	179,980,998,434	105.4
2	Total Expenses	160,286,664,024	167,343,358,126	104.4
	Cost of goods sold	103,637,333,235	110,338,587,191	106.5
	Selling expenses	37,877,717,266	36,173,607,156	95.5
	General and administrative expenses	18,495,120,497	19,685,193,810	106.47
	Financial expenses	16,339,725	0	
	Other expenses	260,153,301	1,145,969,969	440.55
3	Profit Before Tax	15,311,752,888	14,889,166,688	97,2
	Current corporate income tax expense	3,595,324,295	3,401,407,380	94.6
	Profit After tax	11,716,428,593	11,487,759,308	98
4	Contributions to the State Budget	17,401,104,755	18,176,575,561	104.4

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

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

Investment Activities in 2024

Aligned with the Company's overall objectives and urban-economic development trends in Bac Giang City and neighboring districts, the leadership team developed an investment plan at the beginning of 2024 with a total budget of 21 billion VND. Results: Total investment reached 24.12 billion VND, achieving 114.85% of the annual target. Detail:

- Renovation of the Treatment Facility construction 0.83 billion VND
 - Industrial water supply system for Lang Cao Industrial Cluster 0.9 billion VND
 - Water supply system for Ngoc Ly Commune 2.2 billion VND
 - Remaining water supply systems for Nghia Trung and Que Nham Communes 3.5 billion VND
 - Water supply system for Tam Di - Tien Nha – Luc Nam Communes 07 billion VND
 - Replacement of water meters, network zoning, and assessment of water loss and leakage 3.9 billion VND
 - Renovation, upgrading, and repair of water supply pipelines 3.9 billion VND
 - Purchase of an excavator 1.89 billion VND
- All construction projects were completed in compliance with technical standards and timelines. The investments have proven effective, and procurement of materials and equipment was conducted in accordance with State regulations.

Shareholder Relations

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

Financial Accounting and Audited Financial Statements for FY 2024

Accounting Activities

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

Audited Financial Statements

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

d) Supervisory Board's Work Plan for 2025.

General Tasks

- The Supervisory Board will continue to represent shareholders in monitoring the business, governance, and executive management activities of the Company.

- Maintain regular inspection and review activities in accordance with the Company Charter and the Supervisory Board's operating regulations, focusing on preventative supervision to ensure compliance with the Law on Enterprises and other legal requirements in 2025. This will contribute to sustainable business growth and protect shareholder and employee interests.

Specific Tasks for 2025

- Conduct regular meetings and assign clear responsibilities among Supervisory Board members to ensure effective monitoring of corporate governance, business operations, and investment activities.

- Monitor the Company's annual business performance, as approved by the General Meeting of Shareholders, and review the audited financial statements annually.

TRANSACTIONS, REMUNERATIONS

The remuneration for members of the Board of Directors, the Supervisory Board, and the Corporate Governance Officer was paid according to the level approved by the General Meeting of Shareholders in Resolution No. 22/NQ-ĐHĐCĐTN-NSBG dated April 14th, 2024, regarding the approval of the remuneration plan for non-executive members of the Board of Directors, the Supervisory Board, and the Corporate Governance Officer. Specific Remuneration Payments as Follows:

- Members of the Board of Directors:	3 million VND/person/month
- Head of Supervisory Board:	2 million VND/person/month
- Members of the Supervisory Board:	1,5 million VND/person/month
- Corporate Governance Officer:	1,5 million VND/person/month

VI. FINANCIAL STATEMENTS 2024

1. AUDITOR'S OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bac Giang Clean Water Joint Stock Company as of December 31st, 2024, as well as its financial performance and cash flows for the fiscal year then ended, in accordance with the prevailing Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations on financial statement preparation and presentation..

2. AUDITED FINANCIAL STATEMENTS

The audited financial statements for the year 2024 include the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Notes to the Financial Statements, as required by law..

The full audited financial statements for 2024 are available in detail on the website: bacgiangwsc.com.vn..

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE



CHỦ TỊCH HĐQT
Hương Xuân Công