

ANNUAL REPORT

Gia Lai Water Supply Sewerage Joint Stock Company Year 2024

I. General Information

1. Overview Information

- **Name:** Gia Lai Water Supply Sewerage Joint Stock Company
- **Abbreviated name:** GIALAI WATER
- **Enterprise registration certificate number:** 5900189614, issued by the Gia Lai Department of Planning and Investment on November 1, 2010, and amended for the 7th time on January 9, 2024
- **Charter capital:** VND 180,000,000,000 (One hundred and eighty billion VND)
- **Owner's invested capital:** VND 180,000,000,000 (One hundred and eighty billion VND)
- **Address:** 388 Ly Thai To Street, Yen Do Ward, Pleiku City, Gia Lai Province
- **Telephone number:** 02693 871 068
- **Fax number:** (0269) 3714 288
- **Website:** capthoatnuoogialai.com
- **Stock code:** GLW

Formation and Development History:

- On October 21, 1992, the People's Committee of Gia Lai Province issued Decision No. 23/QD-UB on the establishment of the Pleiku Water Plant to serve the daily needs of local residents. This was the precursor of the Gia Lai Water Supply Sewerage Joint Stock Company.
- On June 13, 1994, the People's Committee of Gia Lai Province issued Decision No. 572/QD-UB renaming the Pleiku Water Plant to Gia Lai Water Supply and Sewerage Company.
- On August 31, 2010, Decision No. 594/QD-UBND approved the plan to convert the state-owned Gia Lai Water Supply and Sewerage Company into Gia Lai Water One Member Limited Liability Company (LLC).
- On March 10, 2016, Decision No. 160/QD-UBND approved the equitization plan, converting the Gia Lai Water One Member LLC into Gia Lai Water Supply Joint Stock Company with charter capital of VND 180,000,000,000.
- On December 20, 2016, the company held its inaugural General Meeting of Shareholders at Tre Xanh Hotel, Pleiku City, Gia Lai Province.
- On January 5, 2017, the company was granted an updated enterprise registration certificate (2nd revision) to operate as a joint stock company with charter capital of VND 180,000,000,000.
- On January 8, 2018, the company's shares were officially traded on the UPCoM market under the stock code GLW.
- On May 23, 2019, the company relocated its head office to 388 Ly Thai To Street, Yen Do Ward, Pleiku City, Gia Lai Province.

2. Business Lines and Areas of Operation

Primary Business Lines:

No.	Business Activity Name	Industry Code
1	Production and distribution of clean water	3600
2	Construction and installation of water supply pipelines and facilities	4322
3	Trading in water supply-related materials and equipment	4663
4	Surveying and designing small-scale water supply and drainage networks and facilities	4290
5	Other specialized construction activities	4321
6	Supervision of water supply projects	4329
7	Structural design of civil and industrial buildings	3320

Main Products and Services Provided by Gia Lai Water Supply Sewerage Joint Stock Company:

- Production and supply of clean water for household and business use in Pleiku City and Ayun Pa Town, Gia Lai Province
- Construction and installation of water supply pipelines and facilities
- Survey and design of small-scale water supply and drainage networks and facilities

Water Sources:

- **Pleiku City area:**
 - **Bien Ho Water Production Workshop:** Design capacity of 20,000 m³/day
 - **Saigon - Pleiku Water Plant:** Design capacity of 30,000 m³/day
- **Ayun Pa Town area:**
 - **Iar Bol Water Plant:** Design capacity of 8,000 m³/day

Area of Operation:

The company currently supplies clean water to Pleiku City and Ayun Pa Town, Gia Lai Province.

3. Governance Model, Business Organization, and Management Structure

Gia Lai Water Supply Sewerage Joint Stock Company operates under a joint stock company model in accordance with its Charter approved by the General Meeting of Shareholders under Resolution No. 01/2021/NQ-ĐHĐCĐ dated August 27, 2021.

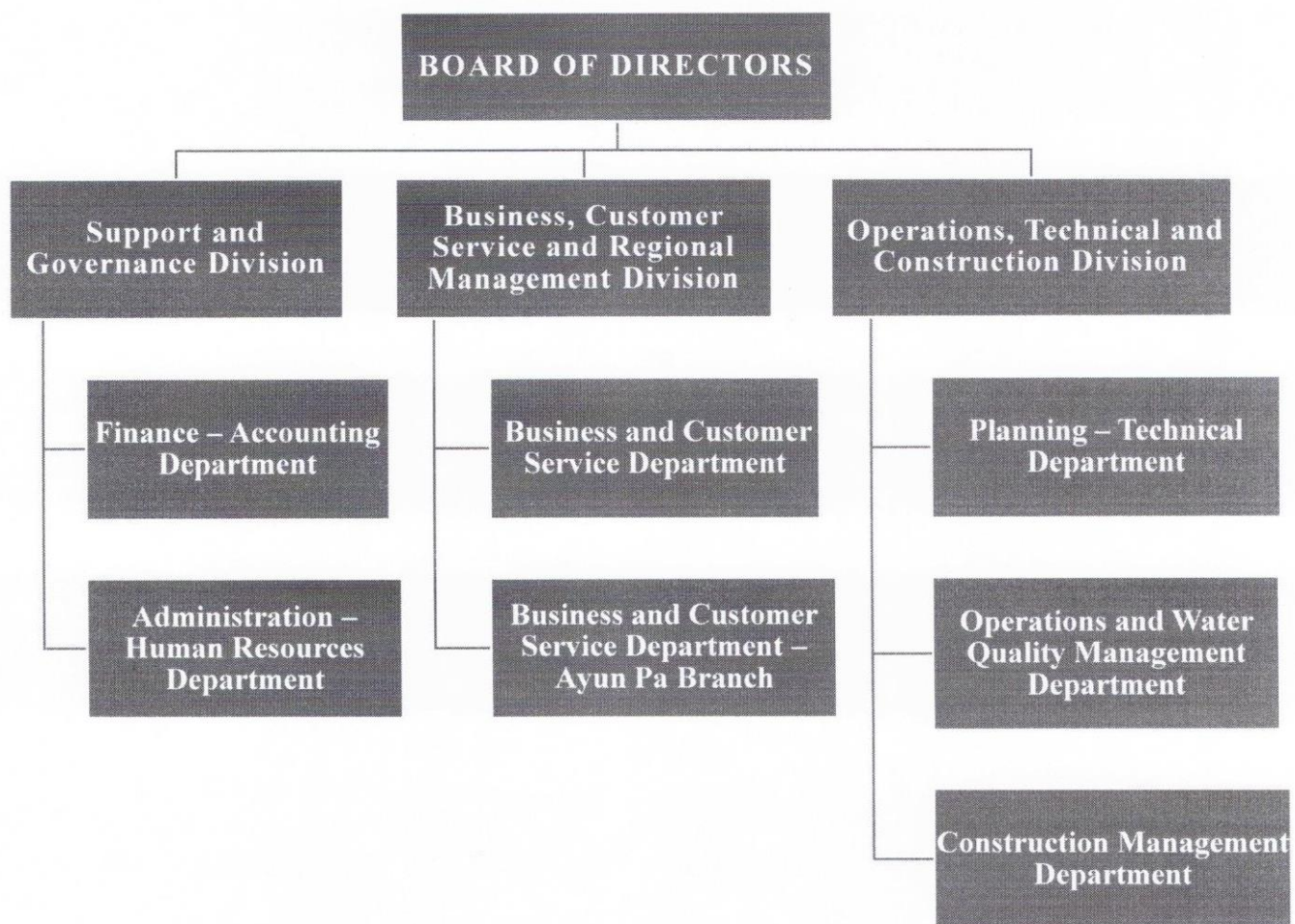
Corporate Governance Model:

The company follows the internal management regulations issued along with Resolution No. 05/2018/NQ-ĐHĐCĐ dated May 18, 2018. These regulations define the fundamental principles of corporate governance to protect the legal rights and interests of shareholders and establish standards for conduct and professional ethics for members of the Board of Directors, Executive Board, Supervisory Board, and company managers.

Management Structure:

The company's management system is structured based on functional responsibilities of departments, ensuring tight linkage, flexible operation, and suitability with business operations.

Organizational Structure Chart:



Board of Directors

No.	Full Name	Position
1	Mr. Phạm Ngọc Tiến	Chairman of the Board
2	Ms. Nguyễn Thị Hồng Hạnh	Member of the Board
3	Mr. Nguyễn Đình Vinh	Member of the Board
4	Mr. Lê Văn Luyện	Member of the Board
5	Mr. Nguyễn Khánh Duy	Member of the Board

Supervisory Board

No.	Full Name	Position
1	Ms. Ho Thi Xuan	Head of Supervisory Board
2	Mr. Le Huy Hoang	Member
3	Ms. Nguyen Thi Quynh	Member

Executive Board

No.	Full Name	Position
1	Ms. Nguyen Thi Hong Hanh	General Director
2	Mr. Nguyen Dinh Vinh	Deputy General Director
3	Mr. Pham Xuan Hao	Deputy General Director
4	Mr. Trinh Ba Duy	Deputy General Director
5	Ms. Truong Thi Thanh	Chief Accountant

Board of Directors' Profiles**Mr. Pham Ngoc Tien – Chairman of the Board of Directors**

Item	Details
Full Name:	Pham Ngoc Tien
Place of Birth:	Binh Dinh
Date of Birth:	04/12/1979
Permanent Residence:	167 Do Quang, Vinh Trung Ward, Thanh Khe District, Da Nang City
Professional Qualification:	Bridge and Road Engineer, Master of Business Administration
Number of Shares Held:	4,820,900 shares, equivalent to 26.78%
– Personal Ownership:	0 shares, equivalent to 0%
– On behalf of State Capital Investment and Trading Corporation (SCIC):	4,820,900 shares, equivalent to 26.78%

Ms. Nguyen Thi Hong Hanh – Member of the Board of Directors

Item	Details
Full Name:	Nguyen Thi Hong Hanh
Place of Birth:	Gia Lai
Date of Birth:	07/01/1980
Permanent Residence:	856 Ta Quang Buu, Ward 5, District 8, Ho Chi Minh City
Professional Qualification:	Master of Business Administration
Number of Shares Held:	4,590,000 shares, equivalent to 25.50%
– Personal Ownership:	0 shares, equivalent to 0%
– On behalf of Saigon Water Infrastructure Corporation:	4,590,000 shares, equivalent to 25.50%

Mr. Nguyen Dinh Vinh – Member of the Board of Directors

Item	Details
Full Name:	Nguyen Dinh Vinh
Place of Birth:	Ho Chi Minh City
Date of Birth:	25/10/1963
Permanent Residence:	132 Cach Mang Thang 8, Hoa Lu Ward, Pleiku City
Professional Qualification:	Bachelor of Economics, major in Business Administration
Number of Shares Held:	3,619,300 shares, equivalent to 20.06%
– Personal Ownership:	11,200 shares, equivalent to 0.06%
– On behalf of State Capital Investment and Trading Corporation (SCIC):	3,600,000 shares, equivalent to 20%

Mr. Le Van Luyen – Member of the Board of Directors

Item	Details
Full Name:	Le Van Luyen
Place of Birth:	Ha Nam
Date of Birth:	01/01/1973
Permanent Residence:	No. 11, Group 25, Dai Kim Ward, Hoang Mai District, Hanoi
Professional Qualification:	Master of International Business Administration
Number of Shares Held:	4,590,000 shares, equivalent to 25.50%
– Personal Ownership:	0 shares, equivalent to 0%
– On behalf of Saigon Water Infrastructure Corporation:	4,590,000 shares, equivalent to 25.50%

Mr. Nguyen Khanh Duy – Member of the Board of Directors

Item	Details
Full Name:	Nguyen Khanh Duy
Place of Birth:	Ho Chi Minh City
Date of Birth:	08/11/1981
Permanent Residence:	202/32, Street 40, Quarter 5, Binh Trung Dong Ward, Thu Duc City, HCMC
Professional Qualification:	Electrical and Electronics Engineer / Bachelor of Business Administration
Number of Shares Held:	0 shares, equivalent to 0%
– Personal Ownership:	0 shares, equivalent to 0%
– Representative Ownership:	0 shares, equivalent to 0%

4. Development Orientation

- Focus on developing the core business activity of clean water supply. The company will cooperate with governmental agencies to expand the distribution network in urban development projects in Pleiku City and Ayun Pa Town, aiming to ensure that 100% of households in these areas have access to clean water.
- Ensure 24/7 water supply to meet residential, industrial, and service demands, in compliance with national standards.
- Renovate water plants and booster pumping stations; replace old iron pipelines with HDPE pipes to reduce water loss, increase supply capacity, and ensure stable water distribution to customers.
- Promote the application of information technology in management, operations, and business activities to enhance efficiency.
- Contribute to the community's sustainable development through participation in voluntary activities and charitable programs.

5. Risk Factors

Investment Risks

2024 remained a year of economic volatility and challenges in the post-pandemic period. Rising input costs, persistent inflationary pressures, and slow public investment disbursement continued to affect the broader economy. For Gia Lai Water Supply Sewerage Joint Stock Company, these factors had impacts across the production–investment–business chain.

Gia Lai Province, located in the Central Highlands region, has strong potential in agriculture, forestry, rural development, and urbanization. The water supply sector plays a critical role in providing essential infrastructure for both daily life and production. In particular, with Pleiku City now officially recognized as a Class I urban area, there are high expectations for universal access to clean water from centralized systems. This presents both opportunities and significant challenges, especially in terms of investment requirements, network expansion, and service quality improvements.

However, the Company still faces certain difficulties, including:

- Substantial increases in prices of materials, equipment, and labor for construction and operation, leading to higher investment costs and delays in project implementation.
- Many suburban and rural households still rely on groundwater, slowing the growth of new customer connections and making investment cost recovery more difficult.
- Most of the Company's projects are concentrated in Pleiku City and are thus heavily influenced by local economic policies and investment conditions.
- The water supply sector is characterized by long capital recovery cycles and large upfront investment, placing pressure on cash flow and reinvestment capacity.

Industry-Specific Risks

Water resources are a critical foundation for local socio-economic development. As an essential commodity for daily life and industrial production, clean water has strong demand growth potential. Gia Lai Water Supply Sewerage JSC is well-positioned to expand operations in line with the increasing need for clean water in the province.

However, the raw input for clean water production is primarily natural surface water. Variations in water quality and flow significantly impact the treatment process. Moreover, the Company is subject to regulated water pricing policies, which require management to tightly control costs to maintain profitability.

The underground pipeline infrastructure also poses challenges in detecting leaks, leading to water losses. In addition, serving scattered residential areas with low population density entails high investment in pipelines with relatively low consumption, adding pressure to cost control efforts.

Environmental Risks

The Company places a high priority on environmental protection and strictly complies with legal regulations in its water extraction and business operations. Water resources are utilized based on the principles of efficiency, sustainability, and long-term balance for future generations.

However, external factors such as climate change, water source pollution, and unregulated extraction by third parties may pose risks to the quality and volume of available raw water.

II. Operational Results of the Year

1. Business Performance

Table: Business Performance in 2024

Indicator	Unit	2023 Actual	2024 Actual	2024 Target	2024 vs. 2023 (%)	2024 vs. Plan (%)
Clean water consumption	m ³	7,077,509	7,619,103	7,425,193	107.65%	102.61%
Average selling price	VND	7,410	8,511	8,594	114.86%	99.03%
Water loss rate	%	36.5%	31.2%	28.9%	85.48%	107.73%
TOTAL REVENUE	Bil. VND	62.55	74.55	75.00	119.17%	99.86%
TOTAL COSTS	Bil. VND	56.98	58.87	60.73	103.32%	96.94%
Profit before tax	Bil. VND	5.58	15.68	13.92	281.11%	112.63%
Corporate income tax	Bil. VND	1.19	3.23	2.78	271.67%	116.16%
Profit after tax	Bil. VND	4.39	12.44	11.13	283.67%	111.75%

Summary: In 2024, the Company achieved a **profit after tax of VND 12.44 billion**, a **183.67% increase** compared to 2023, and **111.75%** of the 2024 plan.

- **Total revenue** reached VND 74.55 billion, **99.86%** of the target. Hot weather in the first six months boosted revenue from household water meters and installation services. However, compensation from pipeline relocation fell short due to project delays in Pleiku City.
- **Total expenses** were **96.94%** of the plan, thanks to cost-saving measures in indirect expenses and optimized operations, including electricity and maintenance.

2. Organization and Personnel

Executive Board Profiles

Ms. Nguyen Thi Hong Hanh – General Director

(Details already presented in Board of Directors section)

Mr. Nguyen Dinh Vinh – Deputy General Director

(Details already presented in Board of Directors section)

Mr. Trinh Ba Duy – Deputy General Director

Item	Details
Full Name:	Trinh Ba Duy
Place of Birth:	Hanoi
Date of Birth:	24/09/1985
Permanent Residence:	No. 1, Group 1, Phuc Xa Street, Phuc Xa Ward, Ba Dinh District, Hanoi
Professional Qualification:	Water Supply and Sewerage Engineer
Number of Shares Held:	0 shares – 0%
– Personal Ownership:	0 shares – 0%
– Representative Ownership:	0 shares – 0%

Mr. Pham Xuan Hao – Deputy General Director

Item	Details
Full Name:	Pham Xuan Hao
Place of Birth:	Tan Yen – Ngoc Thien – Bac Giang
Date of Birth:	25/05/1987
Permanent Residence:	401/11 Pham Van Dong, Thong Nhat Ward, Gia Lai
Professional Qualification:	Environmental Engineering
Number of Shares Held:	0 shares – 0%
– Personal Ownership:	0 shares – 0%
– Representative Ownership:	0 shares – 0%

Ms. Truong Thi Thanh – Chief Accountant

Item	Details
Full Name:	Truong Thi Thanh
Place of Birth:	Gia Lai
Date of Birth:	08/03/1987
Permanent Residence:	Nghia Hung Commune, Chu Pah District, Gia Lai Province
Professional Qualification:	Bachelor of Finance and Accounting

Item	Details
Number of Shares Held:	0 shares – 0%
– Personal Ownership:	0 shares – 0%
– Representative Ownership:	0 shares – 0%

Changes in Executive Personnel

- Dismissed Mr. Nguyễn Văn Thành from the position of General Director, effective from January 9, 2024.
- Appointed Ms. Nguyễn Thị Hồng Hạnh as General Director, effective from January 9, 2024.
- Dismissed Mr. Lê Văn Luyện from the position of Deputy General Director, effective from November 1, 2024.
- Appointed Mr. Trịnh Ba Duy as Deputy General Director, effective from November 1, 2024.

Employee Structure as of December 31, 2024

No.	Classification Criteria	Number of Employees	Percentage (%)
I	By Education Level	108	100%
1	University Degree	30	28%
2	College Degree	11	10%
3	Intermediate Level	13	12%
4	Other Qualifications	54	50%
II	By Labor Contract Type	108	100%
1	Indefinite-term Contracts	104	96%
2	Fixed-term Contracts	4	4%

Working Regime

- Working hours:**
In accordance with the general provisions of the Labor Code, the Company organizes working hours up to a maximum of 48 hours per week. Field staff and installation/repair workers are compensated based on performance. During peak periods or when required for project deadlines, employees may work overtime, with full compensation and benefits in compliance with labor laws.
- Leave policy:**
All employees are entitled to public holidays, Tet holidays, and annual leave in accordance with current legal regulations.
- Working conditions:**
The Company is fully equipped with office equipment and tools in a well-organized, airy, and modern workspace to facilitate productive working environments.
For field workers, the Company provides full protective gear and equipment in compliance with occupational safety standards.

Training, Salary, Allowances & Welfare Policies

Recruitment and Training Policy

- High-quality human resources are considered a cornerstone for the Company's sustainable development. The Company prioritizes recruitment planning annually, aligning with actual needs and job descriptions.
- Clear recruitment procedures and job requirements are established. Internal candidates may be prioritized for promotions or salary increases based on job performance.

- Investment has been made in software and tools to improve operations and customer service. Employees are trained to read water meters and use mobile apps for readings, billing, and collection.

Skills Development

- The Company regularly organizes professional training sessions to improve technical skills and management capacity.
- Employees are encouraged to pursue further education and contribute initiatives for operational improvement.
- Legal and safety training, fire prevention drills, and emergency response simulations are conducted periodically.

Salary, Bonus, and Welfare Policy

- Salary and bonus policies are transparent and based on qualifications, performance, and job roles, while fully complying with labor regulations.
- Annual performance bonuses are paid to all employees. Exceptional individuals or teams may receive special rewards.
- The Company ensures full and timely contributions to social insurance and unemployment insurance for 100% of employees.
- The Trade Union and Youth Union organize regular cultural, sports, and family-friendly events to foster team spirit and well-being.

Average Salary as of December 31, 2024

Indicator	Unit	2024	2023	2024/2023 (%)
Total employees	Persons	108	108	100%
Average monthly income	VND/person/month	11,650,000	9,820,000	119%

3. Investment Activities and Project Implementation

a) Major Investments:

In 2024, the Company implemented several key investment projects, including:

- Prioritizing the establishment of DMAs for non-revenue water reduction,
- Renovation of the water supply network in Pleiku City,
- Replacement of expired, faulty, or blurred water meters,
- Renovation and repainting of water treatment facilities.

The total investment value was approximately **VND 6.6 billion**.

b) Subsidiaries and Affiliates:

None.

4. Subsidiaries and Affiliates

- None.

5. Financial Performance

a) Financial Highlights

Indicator	2024 (Bil. VND)	2023 (Bil. VND)	Change (%)
Total Assets	207.081	194.851	106.3%
Net Revenue	71.834	58.713	122.3%
Operating Profit	14.250	3.904	364.9%
Other Income	1.426	1.672	85.3%

Indicator	2024 (Bil. VND)	2023 (Bil. VND)	Change (%)
Profit Before Tax	15.676	5.577	281.1%
Profit After Tax	12.443	4.386	283.7%
Dividend Payout Ratio	(as approved by the 2025 AGM)	3%	

b) Key Financial Ratios

Category	Unit	2024	2023
1. Liquidity Ratios			
Current Ratio	Times	4.9	7.6
Quick Ratio	Times	4.5	6.9
2. Capital Structure Ratios			
Debt to Total Assets	%	4.4%	1.87%
Debt to Equity	%	4.6%	1.91%
3. Activity Ratios			
Inventory Turnover	Times	18.8	14.31
Net Revenue / Avg. Total Assets	Times	0.36	0.30
4. Profitability Ratios			
Net Profit Margin	%	17.3%	7.47%
Return on Equity (ROE)	%	6.3%	2.29%
Return on Total Assets (ROA)	%	6.0%	2.25%
Operating Profit Margin	%	19.8%	6.65%

Analysis

- **Liquidity:**
Liquidity ratios slightly declined but remained at safe levels. Current assets were nearly five times higher than current liabilities.
- **Capital Structure:**
The Company continues to maintain a conservative investment policy, relying mainly on equity. Debt accounts for a very small portion of total capital.
- **Operational Efficiency:**
Inventory is well controlled, with a high turnover rate. Assets were utilized more effectively in 2024. Inventory mainly includes water treatment chemicals such as chlorine, PAC, and tools for pipeline installation and maintenance.
- **Profitability:**
With strong revenue growth and effective cost control, profit margins significantly improved over 2023.

6. Shareholder Structure & Changes in Owner's Equity

a) Shares Information

- **Total issued shares:** 18,000,000 shares
- **Type:** Common shares
- **Par value:** VND 10,000 per share
- **Preferred shares:** None
- **Freely transferable shares:** 8,655,300 shares
- **Restricted shares:** 9,344,700 shares

Reasons for Transfer Restrictions:

- Shares purchased at preferential prices by employees under commitment to work long-term with the Company after equitization.
- Shares held by strategic investors, restricted in accordance with the Company's equitization plan and Decree No. 59/2011/ND-CP dated July 18, 2011.

b) Changes in Owner's Equity

- Gia Lai Water Supply Sewerage Joint Stock Company officially operated as a joint stock company starting January 5, 2017 with charter capital of VND 180,000,000,000.
- As of the reporting date, the Company **has not issued additional shares** to increase charter capital.

c) Treasury Shares and Other Securities

- **Treasury shares:** None
- **Other types of securities:** None

d) Shareholder Structure as of April 1, 2024

No.	Shareholder Category	No. of Shareholders	Shares Held	Ownership Ratio
I	Domestic		18,000,000	100%
	– Institutional investors	2	17,600,900	97,782%
	– Individual investors	149	398,800	2,216%
II	Foreign		0	0%
	– Institutional investors			
	– Individual investors	1	300	0,002%
	Total	152	18,000,000	100%

7. Environmental and Social Impact Report

7.1. Raw Material Management

Gia Lai Water emphasizes efficient use of raw materials and careful selection of reliable suppliers to avoid low-quality inputs that may harm the environment or public health. Strict regulations are in place for chemical storage and usage to prevent overuse or improper disposal that could affect the ecosystem and community well-being.

7.2. Energy Consumption

Electricity is the main energy source used to operate the Company's water treatment systems, pumping stations, and administrative offices.

Energy-saving measures included:

- Renovating equipment at water treatment plants to reduce electricity losses and production costs.
- Installing inverter control panels for water pumps.
- Using energy-efficient products.
- Regular maintenance of machinery and equipment to ensure optimal performance.

7.3. Water Consumption

As a water supply company, water is both an input and output of operations. Gia Lai Water draws surface water from **Bien Ho Lake** (Pleiku City) and the **Iar Bol spillway** (Ayun Pa Town). After sedimentation, filtration, and disinfection, treated water is distributed through an underground pipeline system.

The Company conducts regular water quality testing to ensure compliance with **QCVN 02:2009/BYT – National Technical Regulation on Drinking Water Quality**.

7.4. Compliance with Environmental Protection Regulations

Throughout 2024, the Company fully complied with all environmental protection regulations. No violations were reported during the year.

7.5. Local Community Responsibility

Beyond shareholder and employee benefits, the Company is committed to contributing to the well-being of the local community.

Gia Lai Water actively participates in charitable programs and volunteer movements to improve quality of life in areas where it operates. The Company also supports nationwide initiatives such as disaster relief for flood-affected regions, the “Tet of Love 2024” campaign, and the “Warm Border Homes” program.

III. Executive Board’s Evaluation Report

1. Evaluation of Business Performance

In 2024, the Executive Board successfully completed most of the production and business objectives assigned by the General Meeting of Shareholders. The Company also ensured continuous and safe water supply across its service areas, meeting the targets approved at the 2024 Annual General Meeting.

The Executive Board closely monitored investment activities and reported to the Board of Directors, while proactively proposing suitable investment solutions to ensure efficiency. The Company continued to focus on expanding its pipeline network to gradually achieve the goal of supplying clean water to 100% of residents in the service areas.

The Company ensured clean water supply to meet 100% of customer demand, implemented various water network expansion plans, and contributed to social welfare in the region.

Human resource development remained a top priority, with ongoing employee training programs to enhance management efficiency and operational effectiveness.

The Company fully complied with tax obligations, social insurance contributions, and safety regulations, improving employee welfare and overall working conditions.

2. Financial Condition

a) Asset Status

(Unit: Billion VND)

Item	31/12/2024	31/12/2023	Change (%)
Current Assets	21.601	27.804	77.7%
– Cash and Cash Equivalents	2.029	1.881	107.9%
– Short-term Financial Investments	14.000	17.000	82.4%
– Short-term Receivables	3.465	5.830	59.4%
– Inventories	1.936	2.776	69.7%
– Other Current Assets	0.171	0.317	53.9%
Non-current Assets	185.480	167.047	111.0%
– Fixed Assets	181.327	162.866	111.3%
– Long-term Work in Progress	0.000	0.608	0.0%
– Other Non-current Assets	4.153	3.572	116.3%
Total Assets	207.081	194.851	106.3%

b) Liabilities Status

(As of December 31, 2024 – Unit: Billion VND)

Item	31/12/2024	31/12/2023	Change (%)
Short-term Liabilities	9.199	3.653	251.8%
– Short-term Trade Payables	2.783	0.998	278.8%
– Advance Payments from Customers	0.017	0.010	170.0%
– Taxes and Payables to the State	5.417	1.754	308.8%
– Payables to Employees	0.249	0.214	116.4%
– Accrued Expenses	0.070	0.062	112.9%
– Other Short-term Payables	0.018	0.065	27.7%
– Short-term Borrowings and Finance Leases	0.648	0.550	117.8%
– Bonus and Welfare Fund	0.017	0.001	1,700.0%
Long-term Liabilities	0.400	0.000	—
– Long-term Borrowings and Finance Leases	0.400	0.000	—
Total Liabilities	9.599	3.653	262.7%

3. Organizational Improvements, Policy Adjustments, and Management Enhancements

To align with the Company’s current operations and future development strategy, several organizational and managerial reforms were implemented:

- **Management restructuring:**

The Company restructured its management system and implemented a performance-based wage system to enhance employee income and improve management efficiency.

- **Internal governance:**

New internal regulations and management procedures were developed and applied to improve operational effectiveness. The Company also strengthened cooperation and technical exchange, promoted IT applications in operations, customer service, and investment management.

- **Productivity-based salary mechanism:**

The Executive Board issued internal regulations and a performance-based salary policy to eliminate arrears, ensure service quality, and motivate employees. This model improved labor productivity, increased income for staff, and boosted the Company’s revenue.

- **Investment strategy adjustments:**

The Company shifted its investment focus to:

- Water loss prevention projects,
- Expansion of pipelines in densely populated areas with high water demand,
- Utilization of internal capital sources, with **no reliance on borrowing**.

- **Human resource optimization:**

Personnel were reassigned according to professional expertise. The Company also streamlined its workforce to enhance operational flexibility.

- **Government coordination:**

The Company maintained close coordination with regulatory agencies to support network expansion in residential areas. It also promoted awareness campaigns on the health benefits

of clean tap water to gradually phase out groundwater usage, aiming for **100% tap water coverage** across Pleiku City.

- **System upgrades:**

Equipment in water treatment plants was improved to **reduce electricity losses** and **lower clean water production costs**.

4. Development Plan for 2025

In 2025, the Company's Executive Board has set the primary goal of achieving **sustainable growth** by focusing on digital transformation and management system restructuring to improve operational and labor efficiency, increase employee income, and ensure profitability for shareholders.

To meet these objectives, the Company will implement the following key strategies:

- Work with relevant departments to seek provincial approval for adjustments to household water retail prices.
- Strictly control operating expenses; apply solutions to reduce water loss and production costs.
- Coordinate meter reading and inspection units to replace faulty and expired meters, thereby reducing measurement losses.
- Intensify the use of information technology in billing, network management, and inventory control.
- Replace damaged equipment at pumping stations to reduce electricity consumption; expand water supply network and increase customer connections.
- Cooperate with local authorities to implement groundwater extraction restrictions set by the Provincial People's Committee.
- Review and revise the Company's performance-based (3P) salary and incentive policies to enhance operational effectiveness while ensuring compliance with legal regulations.
- Strictly follow the directions of the General Meeting of Shareholders (GMS) and Board of Directors (BoD) in all aspects of corporate governance.

5. Executive Board's Explanation on Audit Opinions

There were no audit exceptions or qualifications in the independent auditor's report for the 2024 financial year. The audited financial statements fully comply with Vietnamese Accounting Standards and the prevailing legal framework.

6. Environmental and Social Responsibility Evaluation

a. Environmental Performance

- The Company integrates environmental impact assessments during the selection, construction, and development phases of all projects.
- Regular maintenance of equipment and 24/7 network monitoring ensures prompt repairs, minimizing water loss across the distribution system.
- Technical measures are applied to ensure that water quality meets the standards prescribed by the Ministry of Health and complies with all environmental protection regulations.

b. Employee-related Evaluation

- In order to enhance operational efficiency and increase employee income, the Executive Board implemented management restructuring and performance-based salary mechanisms.
- Annual performance reviews are conducted, and outstanding employees are recognized and rewarded to boost morale and productivity.

c. Local Community Engagement

- The Company cooperates with local authorities to fulfill its responsibilities in maintaining regional security and supporting social initiatives.
- Community-oriented programs in 2024 included:
 - Scholarships and gift-giving for employees' children with excellent academic achievements;
 - Donations to disaster-affected communities in Northern Vietnam (Typhoon Yagi);
 - Participation in the “Tet of Love 2024” campaign;
 - Support for the “Warm Border Homes” program.

IV. Board of Directors' Evaluation of Gia Lai Water Supply Sewerage Joint Stock Company

1. Evaluation of Overall Operations

- Business operations in 2024 were stable. The Executive Board adhered closely to the operational targets. The Company implemented various effective management measures and maintained detailed business planning across all phases. As a result, most targets were achieved or exceeded.
- Financial and accounting activities were conducted in compliance with applicable laws, ensuring capital preservation and efficient capital utilization.
- The General Director and the Executive Board performed their roles in line with assigned functions and authorities. They prepared and submitted reports and proposals to the Board of Directors (BoD) for review and approval, and implemented BoD resolutions and decisions in a timely and effective manner.
- BoD members and the Supervisory Board were regularly updated on the Company's business operations.
- Information disclosure was conducted in accordance with regulations, ensuring transparency, objectivity, and accuracy.
- The Company focused on improving service quality and increasing the proportion of the population with access to clean water, striving for full coverage in its service areas.

2. Evaluation of the Executive Board's Performance

- The Executive Board operated in full compliance with its defined functions, responsibilities, and legal authority. It rigorously followed the business plan approved by the General Meeting of Shareholders (GMS).
- The General Director and management effectively implemented resolutions of the GMS and BoD. Adjustments in business strategy were made timely to address obstacles and ensure effective operations.
- The General Director proactively issued decisions within their authority, provided strategic direction, and maintained good risk control. Reports were submitted to the BoD for supervisory purposes.
- The BoD effectively supervised the Executive Board and relevant departments in accordance with the Company's Charter and applicable laws.

3. Plans and Strategic Direction from the Board of Directors

- Review and update the Company's Charter and internal governance regulations in line with amendments to the Law on Enterprises and the Law on Securities.
- Implement governance practices within the BoD's authority in compliance with the Charter and legal requirements.
- Collaborate closely with local authorities to synchronize water infrastructure expansion with Pleiku City's urban development, aiming to enhance investment efficiency and ensure reliable water supply.
- Coordinate with DNP Water and its member units to implement non-revenue water reduction measures, targeting a loss rate of below 20% by the end of 2025.

- Expand clean water supply coverage through investments in pipeline network upgrades, meter installations, and improved customer relationship management. These initiatives have noticeably improved service quality in Pleiku City.
- Embrace modern technologies and machinery to enhance operational efficiency and the Company's competitiveness. Continue integrating IT solutions in management, customer care, and internal controls.
- As a water supply provider delivering an essential service, the Company benefits from stable demand and limited exposure to market volatility. Its monopoly status in Pleiku City and Ayun Pa Town provides a strong foundation for sustainable growth.

V. Corporate Governance

1. Board of Directors

a) Members and Structure

No.	Member Name	Position	Voting Shares / Ownership (%)
01	Mr. Phạm Ngọc Tiến	Chairman of the BoD	4,820,900 shares / 26.78%
02	Ms. Nguyễn Thị Hồng Hạnh	Member of the BoD	4,590,000 shares / 25.50%
03	Mr. Nguyễn Đình Vinh	Member of the BoD	3,600,000 shares / 20.05%
04	Mr. Lê Văn Luyện	Member of the BoD	4,590,000 shares / 25.50%
05	Mr. Nguyễn Khánh Duy	Member of the BoD	0 shares / 0.00%

b) BoD Committees:

None.

c) Meeting Attendance in 2024

No.	BoD Member Name	Meetings Attended / Total	Attendance Rate (%)	Reason for Absence
01	Mr. Phạm Ngọc Tiến	7/7	100%	—
02	Ms. Nguyễn Thị Hồng Hạnh	7/7	100%	—
03	Mr. Lê Văn Luyện	7/7	100%	—
04	Mr. Nguyễn Đình Vinh	7/7	100%	—
05	Mr. Nguyễn Khánh Duy	7/7	100%	—

d) BoD Resolutions Passed in 2024

No.	Resolution No. & Date	Content	Approval Rate
1	01/2024/NQ/HĐQT – 08/01	Appointment of Ms. Nguyen Thi Hong Hanh as General Director	100%
2	02/2024/NQ/HĐQT – 07/03	Approval of AGM 2024 date, venue, and agenda; organizational structure	100%
3	03/2024/NQ/HĐQT – 29/03	Final approval of AGM 2024 logistics and documents	100%
4	04/2024/NQ/HĐQT – 30/06	Approval of financial audit firm for 2024	100%
5	05/2024/NQ/HĐQT – 15/10	Dismissal of Mr. Le Van Luyen (Deputy GD), appointment of Mr. Trinh Ba Duy; approval of Mr. Nguyen Dinh Vinh's continued appointment	100%

e) Activities of Independent Board Members

Independent directors fully participated in all BoD meetings and activities. They actively contributed opinions and participated in discussions to support the resolution and decision-making process in accordance with their assigned duties.

2. Supervisory Board

a) Members and Positions

No.	Member Name	Position	Term Start / End Date	Educational Background
01	Ms. Ho Thi Xuan	Head of Supervisory Board	Member since 08/01/2024	Bachelor of Economics
02	Mr. Le Huy Hoang	Member	Member since 15/04/2022	Bachelor of International Trade
03	Ms. Nguyen Thi Quynh	Member	Member since 15/04/2022	College Degree in Economics

b) Supervisory Activities in 2024

- The Supervisory Board worked closely with the Board of Directors (BoD) and the Executive Board to monitor the implementation of resolutions from the General Meeting of Shareholders (GMS) and the BoD.
- The current BoD consists of 5 members, structured in accordance with legal requirements and the Company Charter. BoD decisions were made via meetings and written consultations, ensuring procedural compliance.
- In 2024, the BoD held **7 meetings** and issued **5 resolutions** in line with the GMS's approved business strategy. According to the Supervisory Board, these decisions were consistent with the Company's strategic direction.
- BoD members actively participated in leadership and governance. Their decisions facilitated business operations and resolved existing obstacles.
- The Supervisory Board monitored the management and business operations of the BoD and the Executive Board in compliance with the Law on Enterprises and the Company Charter.
- They verified the legality and appropriateness of decisions made by the BoD and Executive Board.
- Oversight was conducted on the implementation of GMS and BoD resolutions.
- The Supervisory Board ensured transparency in financial reporting and information disclosure. Business contracts, accounting records, and labor agreements were reviewed for compliance.
- The Supervisory Board also supervised vote counting during the 2024 Annual General Meeting, ensuring the process was lawful, accurate, and in line with regulations.

3. Transactions, Remuneration, and Benefits of the BoD, Executive Board, and Supervisory Board

a) Remuneration, Bonuses, and Other Benefits in 2024

No.	Position	Total Remuneration in 2024 (VND)
I	Board of Directors	204,000,000
II	Supervisory Board	84,000,000

b) Transactions of Internal Shareholders:

- **None**

c) Contracts or Transactions with Internal Shareholders:

- **None**

d) *Implementation of Corporate Governance Regulations:*

- The Company has been proactive in complying with corporate governance regulations.
- The Company's Charter was amended and approved by the General Meeting of Shareholders on **August 27, 2021**, in accordance with the Law on Enterprises and the Law on Securities.

VI. Audited Financial Statements

1. Auditor's Opinion

Excerpt from Document No. 24-11-114-2 dated March 18, 2025, issued by **GRANT THORNTON (VIETNAM) CO., LTD** regarding the audited financial statements of **Gia Lai Water Supply Sewerage Joint Stock Company** for the fiscal year ended December 31, 2024:

Auditor's Opinion:

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gia Lai Water Supply Sewerage Joint Stock Company as at December 31, 2024, as well as its financial performance and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, and relevant statutory requirements concerning financial reporting."

2. Audited Financial Statements

The full audited financial statements are attached herewith.

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE

(Signature, full name and seal)



TỔNG GIÁM ĐỐC
Nguyễn Thị Hồng Hạnh

C.P.