

REPORT ON BUSINESS RESULTS IN 2024 PRODUCTION AND BUSINESS PLAN FOR 2025

I. General Situation:

In December 2023, the Gia Lai Water Supply and Sewerage Company was approved by the Provincial People's Committee to adjust the retail price of clean water. Therefore, the company developed an operational plan for 2024 with ambitious growth targets for revenue and profit, successfully exceeding the assigned goals. The primary business activity of providing clean water began to generate profits for the company. The key objectives for 2024 are as follows:

1. Establishing DMA zones in Pleiku City to combat water loss.
2. Implement comprehensive digital transformation and automation: apply electronic contracts and software for metering, human resource management, and network management to enhance customer convenience, labor efficiency, and management effectiveness.
3. Transition to the vertical model of the parent company, DNPW, and implement the 3P salary policy to boost labor productivity and motivate employees by linking performance to income.

II. Business Results for 2024:

1. Production and Business Performance:

Indicator	Unit	Actual 2023	Actual 2024	Plan 2024	2024/2023 (%)	2024/Plan (%)
Clean water consumption	m ³	7.077.509	7.619.103	7.425.193	107,652%	102,61%
Average price	VND	7.410	8.511	8.594	114,859%	99,03%
Water loss rate	%	36,5%	31,2%	28,9%	85,480%	107,73%
- Pleiku City	%	39,6%	35,2%	31,3%	88,965%	112,41%
- Ayun Pa Town	%	22,7%	11,1%	18,0%	48,994%	61,76%
TOTAL REVENUE	bn VND	62,55	74,55	75	119,169%	99,86%
Revenue from clean water	bn VND	52,44	64,84	63,81	123,648%	101,62%
Construction revenue	bn VND	6,27	6,99	6,54	111,471%	106,95%
Pipeline relocation	bn VND	1,18	0,83	2,80	70,614%	29,78%
Financial revenue	bn VND	2,17	1,27	0,86	58,876%	147,53%
Other revenue	bn VND	0,50	0,60	0,64	121,753%	94,53%
TOTAL COSTS	bn VND	56,98	58,87	60,73	103,320%	96,94%
Direct costs	bn VND	34,90	36,41	36,68	104,332%	99,27%
Indirect costs	bn VND	10,64	10,70	11,96	100,573%	89,41%
Depreciation costs	bn VND	11,44	11,75	12,09	102,749%	97,22%
Financial costs	bn VND	0,00	0,00	0,00		0,00%
Other costs	bn VND	0,00	0,01	0,00		0,00%
Profit before tax	bn VND	5,58	15,68	13,92	281,109%	112,63%

Indicator	Unit	Actual 2023	Actual 2024	Plan 2024	2024/2023 (%)	2024/Plan (%)
Corporate income tax	bn VND	1,19	3,23	2,78	271,672%	116,16%
Net profit after tax	bn VND	4,39	12,44	11,13	283,670%	111,75%

- Net profit after tax in 2024 reached 12.44 billion VND, an increase of 183.67% compared to 2023 and 111.75% of the 2024 plan:
 - ✓ Total revenue achieved 74.55 billion VND, achieving 99.86% of the plan. Due to prolonged heat in the first six months of the year, revenue from clean water sales and household meter installations increased compared to the planned targets. However, income from relocation compensation was lower than planned due to delays in the implementation of projects in Pleiku City.
- Total costs in 2024 were 96.94% of the planned target. The company aims to save on indirect costs and optimize operations to reduce electricity and operational expenses, resulting in lower total costs than planned.

2. Project Implementation Results:

No.	Investment Description	Investment Value (VND)
1	DMA establishment and water loss reduction	1.683.116.976
2	Network improvement in Pleiku City (2024)	3.392.952.065
3	Replacing expired and blurred water meters	912.441.191
4	Building fence for Bien Ho Plant and Pleiku Ro Booster Station	610.481.482
5	Ia Rbol Plant renovations	29.286.111
	Total	6.628.277.825

3. Other activities in 2024:

- Ensured 24/7 operation to produce and supply water.
- Managed financial resources closely to enhance capital efficiency.
- Collaborated with the parent company's divisions at DNPW to implement comprehensive digital transformation, applying IT in production management and customer management.
- Established 10 DMAs in Pleiku City to combat water loss. Form a loss prevention team, develop plans, and assess the effectiveness of reducing loss rates to implement across the network in 2025; replace malfunctioning and outdated meters; relocate and expand water supply pipelines; and upgrade the raw water pumping station at the Iarbol plant as planned.
- Maintained appropriate wages and bonuses for employees and ensured adequate equipment for all company departments.

III. Production and business plan for 2025:

1. Key production and business targets for 2025:

In 2025, the company will continue to focus resources on customer growth, increasing water revenue, and reducing losses. The plan includes optimizing costs, increasing employee income, and enhancing company profits. The action plan to achieve these goals includes:

- Prioritizing the development and expansion of the water supply network.
- Investing in DMA setup and enhancing loss reduction efforts.

- Completing the 3P wage system and work allocation regulations.
- Completing digital transformation initiatives and applying them comprehensively in 2025.
- Working with the Department of Finance to propose an adjustment of water prices to the Gia Lai Provincial People's Committee.

2. Business plan for 2025:

Indicator	Unit	Plan 2025	Actual 2024	Plan 2025/Actual 2024 (%)
Clean water consumption	m ³	8.141.617	7.619.103	106,86%
Average price	VND	8.512	8.511	100,02%
Water loss rate	%	26,5%	31,2%	85,12%
- Pleiku City	%	29,3%	35,2%	83,23%
- Ayun Pa Town	%	14,0%	11,1%	126,05%
TOTAL REVENUE	bn VND	81,29	74,55	109,05%
Revenue from clean water	bn VND	69,30	64,84	106,88%
Construction revenue	bn VND	7,95	6,99	113,75%
Pipeline relocation revenue	bn VND	2,50	0,83	299,78%
Financial revenue	bn VND	0,90	1,27	70,86%
Other revenue	bn VND	0,63	0,60	104,45%
TOTAL COSTS	bn VND	64,14	58,87	108,95%
Direct costs	bn VND	39,58	36,41	108,70%
Indirect costs	bn VND	11,60	10,70	108,49%
Depreciation costs	bn VND	12,96	11,75	110,24%
Financial costs	bn VND	0,00	0,00	0,00%
Other costs	bn VND	0,00	0,01	0,00%
Profit before tax	bn VND	17,15	15,68	109,41%
Corporate income tax	bn VND	3,48	3,23	107,58%
Net profit after tax	bn VND	13,67	12,44	109,89%

4. Investment Plan:

No.	Investment Description	Unit	Total Value (VND)
1	Replacing expired, damaged, and blurred water meters	Package	1.800.000.000
2	Relocating water meters from inside premises to outside	Package	2.200.000.000
3	Replacing old pipelines in Pleiku and Ayun Pa	Package	4.000.000.000
4	Expanding water supply network	Package	12.300.000.000
5	Establishing DMA zones and reducing leakage	Package	4.700.000.000
6	Replacing pipelines in Pleiku (Management Board funds)	Package	2.500.000.000
7	Painting Bien Ho Plant, repairing Pleiku Ro Station	Package	800.000.000
8	Expanding water supply network in Dak Doa	Package	10.440.000.000
Total			38.740.000.000

4. Management and Operational Plan:

- Collaborate with relevant departments to propose water price adjustments to the provincial People's Committee.
- Strictly controlling operating costs and implementing solutions to reduce losses and cut production costs.
- Coordinating with departments to replace malfunctioning or outdated meters to decrease losses.
- Enhance the application of information technology in metering management, network management, and equipment inventory management to improve efficiency.
- Inspect and replace malfunctioning equipment at pumping stations to reduce energy consumption. Expand the water supply network, increase customer connections, and improve business operations.
- Strengthen coordination with relevant departments to implement the Provincial People's Committee's policy on limiting groundwater extraction..
- Review the 3P salary regulations and performance-based contracts to ensure operational efficiency and compliance with legal regulations.
- Complying with directives from the General Meeting of Shareholders and the Board of Directors in company management.

This is the report on 2024 operations and the 2025 production and business plan for the company.



GENERAL DIRECTOR

NGUYEN THI HONG HANH

