



VIWACO JOINT STOCK COMPANY

ANNUAL REPORT

Reporting year: 2024



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I. GENERAL INFORMATION

1. General information

- Trading name: VIWACO Joint Stock Company
- Business registration certificate No. 0101624050 first issued by Hanoi Department of Planning and Investment on March 17, 2005, registered for the 8th amendmen on January 6, 2022.
- Charter capital: 320,000,000,000 VND (Three hundred and twenty billion VND)
- Owner's investment capital: 320,000,000,000 VND (Three hundred and twenty billion VND)
- Address: 1st Floor, Building 17-T7, Trung Hoa Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan District, Hanoi City
- English name: VIWACO JOINT STOCK COMPANY
- Abbreviation: VIWACO., JSC
- Tax code: 0101624050
- Head office: 1st Floor, Building 17-T7, Trung Hoa Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan District, Hanoi City.
- Phone: (84.4) 6251 1520/ (84.4) 6251 1523
- Fax: (84.4) 6251 1524
- Website: viwaco.vn
- Stock code: VAV
- Company Branches:
 - Branch name: VIWACO Joint Stock Company Branch – Electromechanical Center
 - Branch address: Substation area D, lane 9 Khuat Duy Tien street, Thanh Xuan Bac ward, Thanh Xuan district, Hanoi city

2. Business sectors and locations:

- Water exploitation, treatment and supply;
- Manufacture of plastic products, concrete and products from cement and plaster, casting of iron and steel and metal components
- Manufacture of measuring, testing, navigation and control equipment, watches, electronic components, communication equipment, consumer electronics products, computers and computer peripherals
- Manufacture of motors, generators, electric transformers, electric distribution and control equipment, cables, optical cables, other electric and electronic cables, electric wires of all kinds, other electrical equipment
- Manufacture of other pumps, compressors, taps and valves,
- Electrical equipment repair
- Installation of industrial machinery and equipment

- Production, distribution of steam, hot water, air conditioning and ice production
- Drainage and wastewater treatment
- Construction of all kinds of houses
- Construction of railway and road works
- Construction of public works. Details: ...
- Construction of other civil engineering works.
- Real estate business, land use rights owned by the owner, user or lessee, consulting, brokerage, real estate auction, land use rights auction
- Architectural and engineering activities and related technical consultancy. Details: ...

Formation and development process

On December 22, 2004, the Hanoi People's Committee issued Document No. 4755/UB_KH&DT, approving the project to establish a Joint Stock Company to receive and distribute part of the clean water from the Da River Surface Water Plant Construction Project. Therefore, the Clean Water Investment, Construction and Trading Joint Stock Company was established according to the agreement dated February 1, 2005 between Vietnam Construction Import-Export Corporation VINACONEX, Hanoi Clean Water Trading Company and VIGLAFICO Fiberglass Pipe Joint Stock Company. In 2015, the Clean Water Investment, Construction and Trading Joint Stock Company changed its name to VIWACO Joint Stock Company.

On March 17, 2005, Clean Water Investment, Construction and Trading Joint Stock Company (now VIWACO Joint Stock Company) was established under Business Registration Certificate No. 0101624050 issued by the Department of Planning and Investment of Hanoi City with the charter capital of the Company upon establishment being 40,000,000,000 VND (Forty billion VND) with the respective capital contributions of the parties as follows:

➤ Founding shareholders

- Vietnam Construction and Import-Export Corporation (VINACONEX) contributes 51% of charter capital equivalent to VND 20,400,000,000 (Twenty billion four hundred million dong)
 - Hanoi Clean Water Trading Company contributes 30% of charter capital equivalent to 12,000,000,000 VND (Twelve billion VND)
 - VINACONEX Fiberglass Pipe Joint Stock Company contributes 15% of charter capital equivalent to VND 6,000,000,000 (Six billion VND)
- **Other individuals and legal entities:** contribute 4% of charter capital equivalent to VND 1,600,000,000 (One billion six hundred million VND)

On January 6, 2022, the Company was granted a business registration certificate No. 0101624050 (8th amendment) by the Hanoi Department of Planning and

Investment with a charter capital of VND 320,000,000,000 (Three hundred and twenty billion VND).

Implementing the direction of the Hanoi People's Committee in Document No. 2215/UBND-GT dated March 18, 2009. Clean Water Investment, Construction and Trading Joint Stock Company has officially received the clean water business area in the Southwest of Hanoi from Hanoi Clean Water Company since April 1, 2009 (including five parts: handover scope, assets, human resources, customer management, and technology). Scope of clean water consumption area from the Da River Surface Water Plant: The North is limited by Road 32 - Pham Hung Road (VDD Road) - Tran Duy Hung Road - Lang Road. The West and South are the boundaries of Hanoi City with former Ha Tay Province.

➤ **Development stages**

- From March 2005 to March 2009: The Company implemented the construction and put into use the Project to invest in building a water supply system for the Southwest area of Hanoi City with a total investment of 263 billion VND.
- March 2009: The Company received the Southwest water supply system from Hanoi Clean Water One Member Co., Ltd. in the form of capital contribution and financial leasing with a total asset value of 93 billion VND.
- April 2009: The Company received water from Song Da Clean Water Plant (now Song Da Clean Water Investment Joint Stock Company - stock code VCW) to supply domestic and production water for the Southwest area of Hanoi City.
- From April 2009 to April 2013: The company implemented the expansion of the water supply network for the areas of Dinh Cong, Dai Kim, Thinh Liet, and Dai Tu.
- From April 2013 to January 2014: The company expanded the water supply network for Thanh Liet commune, Thanh Tri district with a total investment of 21.2 billion VND.
- From April 2013 to March 2014: The company expanded the water supply network for 04 communes: Xuan Phuong, Dai Mo, Tay Mo and Trung Van commune (Trung Van village), Tu Liem district, Hanoi city with a total investment of about 114 billion VND.
- From 2017-2018, the Company expanded the water supply network to the communes of Huu Hoa, Ta Thanh Oai, Tam Hiep and Van Dien Town (west of National Highway 1A), Thanh Tri District (Adjusted in 2018) with a total investment of about 184 billion VND.
- Currently, the Company has been supplying about 180,000 customers with a water supply capacity of about 240,000 m³/day

➤ The company's capital increase process

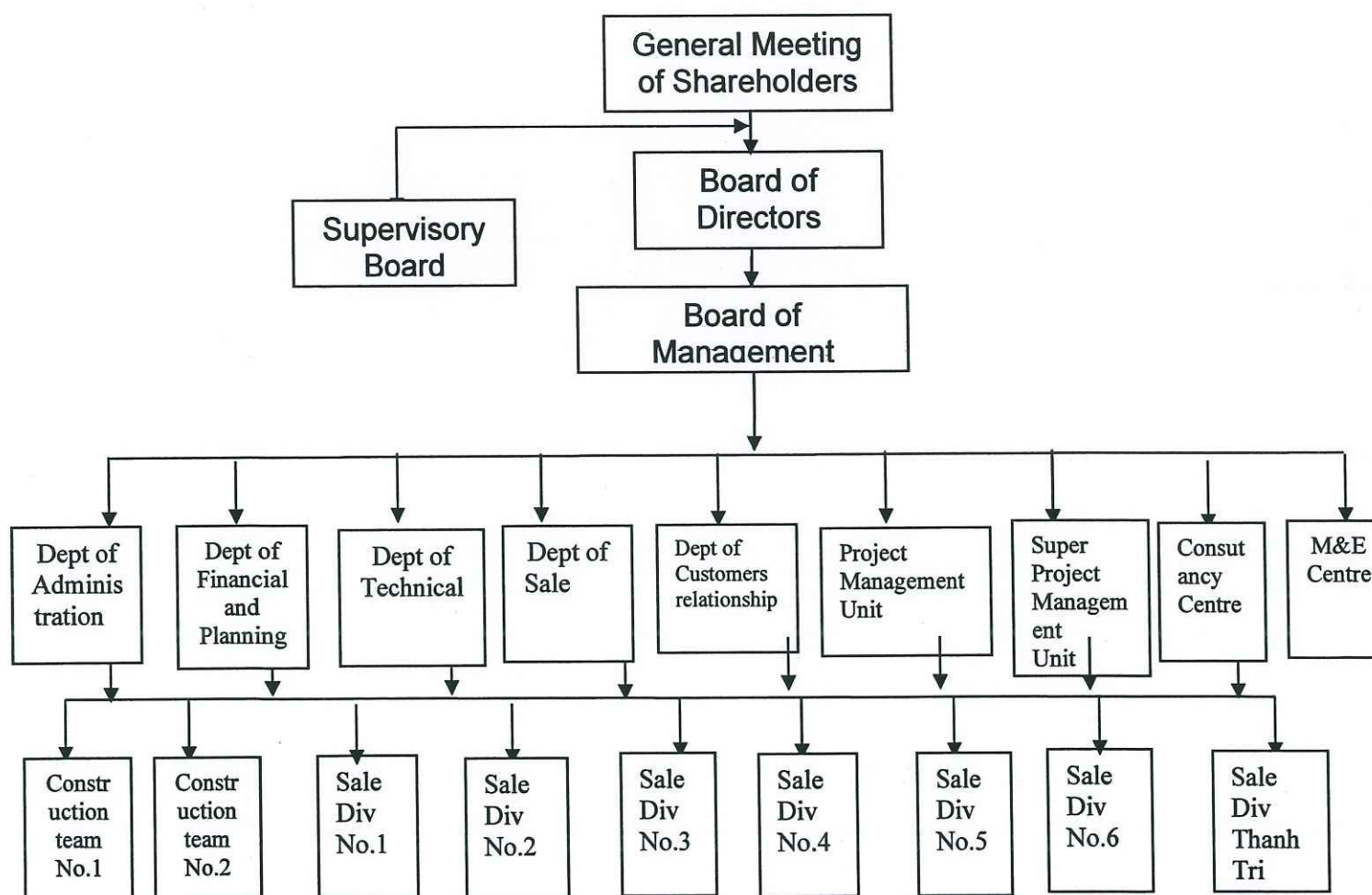
Time	Time	Increased charter capital	Charter capital after increase
1	April 26, 2007	40,000,000,000	80,000,000,000
2	October 30, 2018	80,000,000,000	160,000,000,000
3	06/01/2022	160,000,000,000	320,000,000,000

3. Information on governance model, business organization and management apparatus

Management model:

- The General Meeting of Shareholders has the highest authority in the Company.
- Board of Directors: consists of 03 members
- Supervisory Board: consists of 03 members
- Board of Management: consists of 05 members (01 General Director and 04 Deputy General Directors)

Organizational chart:



a. General meeting of shareholders

The General Meeting of Shareholders is the highest decision-making body of the Company. The Annual General Meeting of Shareholders is held once a year, usually from March to April each year. The Annual General Meeting of Shareholders has the right to discuss and approve the following issues:

- Annual audited financial statements;
- Report of the Board of Supervisors on the Company's business results, performance of the Board of Directors and General Director;
- Self-assessment report on the performance of the Board of Supervisors and Performance report of the Board of Directors;
- The Company's annual production and business plan;
- Dividend level for each share of each type;
- And the issues are recorded in the Company Charter.

b. Board of Directors

The Board of Directors of the Company shall have 03 members. The term of office of the Board of Directors shall be five (05) years. The term of office of a member of the Board of Directors shall not exceed five (05) years. A member of the Board of Directors may be re-elected for an unlimited number of terms.

The Company's business activities and affairs must be under the management or direction of the Board of Directors. The Board of Directors has full authority to decide on all matters relating to the Company's interests on behalf of the Company, except for matters under the authority of the General Meeting of Shareholders.

The rights and obligations of the Board of Directors are stipulated by law, the Charter, the internal regulations of the Company and the decisions of the General Meeting of Shareholders. Specifically, the Board of Directors has the following rights and obligations:

- Decide on the Company's development strategy;
- Propose the type of shares and total number of shares authorized to be offered;
- Decision to offer new shares within the number of shares authorized to be offered; decision to raise additional capital in other forms;
- Decide on investment plans and investment projects within the authority and limits prescribed by law.
- Decide on market development, marketing and technology solutions;
- Approve purchase, sale, loan, lending and other contracts with a value equal to or less than 35% of the total asset value recorded in the Company's most recent financial report, except for transactions under the authority of the General Meeting of Shareholders;
- Approve contracts and transactions with a value of less than 35% of the total value of the enterprise's assets recorded in the most recent financial report. In this case, the Company's representative signing the contract must notify the members of the Board of Directors and the Supervisory Board of the entities

related to that contract or transaction; and at the same time, attach a draft contract or the main content of the transaction. The Board of Directors decides to approve the contract or transaction within 15 days from the date of receipt of the notice; members with related interests do not have the right to vote.

- The Board of Directors shall appoint, dismiss and remove the General Director, Deputy General Directors; Chief Accountant and other managers under the management authority of the Board of Directors. The Board of Directors may decide or authorize the General Director to decide on salaries and other benefits for these positions.
- Propose to the General Meeting of Shareholders to approve the remuneration of members of the Board of Directors and members of the Board of Supervisors;
- Deciding on the organizational structure, internal management regulations of the Company, deciding on the establishment of subsidiaries, branches, representative offices and capital contribution and purchase of shares of other enterprises;
- Report on production and business performance, organizational situation and other related issues periodically or suddenly as required by the State and the company's General Meeting of Shareholders and be responsible for the authenticity of these reports.
- Submit annual financial settlement report to the General Meeting of Shareholders;
- Recommend the level of dividends to be paid, decide on the time limit and procedures for paying dividends or handling losses arising during the business process;
- Decide on the offering price of the Company's shares and bonds; value contributed capital assets other than Vietnamese currency, freely convertible foreign currency, or gold;
- Approve the agenda and content of documents for the General Meeting of Shareholders, convene the General Meeting of Shareholders or carry out procedures to ask for opinions for the General Meeting of Shareholders to pass decisions;
- Decision to buy back no more than 10% of the shares sold;
- Proposing the reorganization or dissolution of the Company;
- Members of the Board of Directors have the right to request the General Director, Deputy General Director of the Company, and managers of other units in the Company to provide information and documents on the financial situation and business activities of the Company and of the units in the Company;
- Be responsible to the General Meeting of Shareholders for management violations, violations of the Charter, violations of the law, causing damage to the Company.
- Other rights and obligations as prescribed in the Company Charter.
- **The Board of Directors for the 2020-2025 term includes:**

- | | |
|-------------------------|--|
| 1. Mr. Duong Van Mau | Chairman (Appointed on March 19, 2020) |
| 2. Mr. Nguyen Huu Toi | Member (Appointed on March 19, 2020) |
| 3. Mr. Truong Tien Hung | Member (Appointed on March 19, 2020) |

c. Board of Supervisory

The Supervisory Board shall have three (3) members, nominated by the Shareholders and elected by the General Meeting of Shareholders for a term equal to that of the Board of Directors. The members of the Supervisory Board shall have a degree in finance or accounting. The Supervisory Board shall appoint one of the members of the Supervisory Board as the Head of the Supervisory Board.

The Board of Supervisors has the following rights and duties:

- Check the reasonableness and legality in management and operation of business activities, in accounting records and financial reports;
- Review the Company's annual financial statements; examine each specific issue related to the Company's management and operations when deemed necessary or by decision of the General Meeting of Shareholders, at the request of shareholders or groups of shareholders owning more than 10% of common shares;
- Regularly inform the Board of Directors about the results of activities and consult the Board of Directors before submitting reports, conclusions and recommendations to the General Meeting of Shareholders;
- Report to the General Meeting of Shareholders on the accuracy, honesty and legality of recording, keeping documents and preparing accounting books, financial statements and other reports of the Company; the honesty and legality in managing and operating the Company's business activities;
- Propose measures to supplement, amend and improve the organizational structure, management and operation of the Company's business activities;
- Do not disclose Company secrets.

The Board of Supervisors for the 2020-2025 term includes:

- | | |
|-------------------------------|---|
| 1. Ms. Nguyen Thi Quynh Trang | Head of the Board (Appointed on March 19, 2020) |
| 2. Ms. Tran Thi Kim Oanh | Member (Appointed on March 19, 2020) |
| 3. Mr. Pham Thanh Binh | Member (Appointed on March 19, 2020) |

d. Board of Management

The Company shall establish a Board of Management, under which the management apparatus shall be responsible to the Board of Directors. The Board of Management shall include the General Director, Deputy General Directors and Chief Accountant, Financial Director and other management officers appointed by the Board of Directors. The General Director and Deputy General Directors, members of the Board of Management may concurrently be members of the Board of Directors.

The General Director heads the Board of Management of the Company, is the person who runs the daily business of the Company; is supervised by the Board of

Directors; is responsible to the Board of Directors and before the law for the implementation of assigned rights and duties.

The General Director of the Company has the following rights and duties:

- Decide on matters related to the Company's daily business without requiring a decision from the Board of Directors;
- Organize the implementation of the Board of Directors' resolutions;
- Organize the implementation of the Company's business plan and investment plan;
- Proposing plans for organizational structure and internal management regulations of the Company;
- Appoint, dismiss, remove management positions in the Company: except for positions under the authority of the Board of Directors;
- Decide on salaries and allowances (if any) for employees in the Company, including managers under the appointment authority of the General Director.
- Sign contracts according to the Board of Directors' delegation in accordance with the provisions of law. For some specific contracts as prescribed by the Board of Directors, before signing the contract, the General Director must submit an economic plan to the Board of Directors and may only implement it after this plan has been approved.
- Report to the Board of Directors on the Company's operations and business results; provide complete documents as requested by the Board of Directors, and prepare documents for Board of Directors meetings.

- Board of Management includes:

1. Mr. Nguyen Huu Toi	General Director
2. Mr. Dinh Hoang Lan	Deputy General Director
3. Mr. Cao Hai Thap	Deputy General Director
4. Mr. Dinh Huu Canh	Deputy General Director
5. Mr. Do Xuan Tien	Deputy General Director

e. Departments and functional offices

- Responsible for advising and implementing strategies according to management functions, effectively supporting the Board of Management and being responsible to the Board of Management for the honest implementation of assigned rights and obligations, for the benefit of the Company and shareholders. Including:

- Administrative Organization Committee
- Finance and Planning Department
- Technical Department
- Sale Department
- Customer Relations Department
- Project Management Unit

- Key Project Management Unit
- Consulting Center
- VIWACO Joint Stock Company Branch – Electromechanical Center
- Recording Blocks and Construction Teams

4. Development orientation

a. Clean water production and business:

- Ensure safe, continuous 24-hour water supply, always maintain adequate pressure and ensure clean water quality according to prescribed standards.

- Invest in renovating the entire water supply system, invest in new technology, apply advanced science and technology to manage and monitor the network, reduce the loss rate, improve the quality of water supply services. Strive to achieve an effective water loss rate, lower than the average of companies in the industry.

- Continue to expand the water supply area within the scope assigned by the Hanoi People's Committee. Some areas expected to develop in the coming years: communes in Thanh Oai district, Hanoi.

b. Design consulting field:

Continue to proactively exploit markets outside the Company in the field of water supply and drainage.

c. Construction and installation field

Continue to participate in bidding for projects outside of Vietnam Construction and Import-Export Joint Stock Corporation, especially participating in projects with foreign corporations as general contractors that require strict quality and progress requirements.

5. Risks

Because VIWACO Company uses the Da River surface water source provided by Song Da Clean Water Investment Joint Stock Company as its main source, it will depend on the water supply capacity of this company.

II. PERFORMANCE IN THE YEAR

1. Production and business situation

Unit: billion VND

TT	Indicators	Plan 2024	Actual 2024	Actual 2024 compared to Plan 2024
1	Total revenue and income	1047.2	1085	104%
2	Total profit after tax	116.5	230.4	198%
3	Investment development	610.1	106.7	18%
4	Dividend (%)	12%	12%	-

(*)Source: 2024 Business Plan and Audited Financial Statements for 2024.

2. Organization and personnel

2.1 Board of Management

Mr. Nguyen Huu Toi : Member of Board of Directors - General Director

+ Professional qualification: Construction Economics Engineer

Number of shares VIWACO Joint Stock Company is holding : 0 shares

Mr. Dinh Hoang Lan : Deputy General Director

+ Professional qualifications: Precision machine engineering, mechanical engineering

+ Number of shares VIWACO Joint Stock Company is holding : 2,800 shares

Mr. Cao Hai Thap : Deputy General Director

+ Qualification: Bachelor of Economics

+ Number of shares VIWACO Joint Stock Company is holding : 28,800 shares

Mr. Dinh Huu Canh : Deputy General Director

+ Qualification: Mechanical Engineer

+ Number of shares VIWACO Joint Stock Company is holding : 0 shares

Mr. Do Xuan Tien : Deputy General Director

+ Professional qualification: Information technology engineer

+ Number of shares VIWACO Joint Stock Company is holding : 0 shares

2.2 Number of staff

The total number of employees in the Company as of December 31, 2024 is 214 people. Of which:

+ University and postgraduate level: 121 people

+ College, secondary school: 21 person

+ Professional production team: 72 people

- Training, salary and allowance policy:

The human factor is always valued by the Company, always supplemented, trained to improve professional qualifications regularly. Inheriting and promoting that tradition, our Company always considers human resources as the top priority. The Company has many policies to stabilize and improve the spiritual and material life of employees with specific activities such as:

- **Working regime:** The Company implements the labor regime according to the 2012 Labor Code and regulations of the Law.

The Company always focuses on creating the best working conditions and environment for its employees. The Company always provides adequate and modern equipment for work and labor protection equipment. In addition, the Company regularly improves the working environment, creating conditions for employees to promote autonomy and responsibility for each assigned task, and focuses on building corporate culture.

- **Salary, bonus and allowance policy for employees:** With a reasonable income distribution policy, employees who do more complex jobs, require higher professional qualifications, larger scale and higher work efficiency will be ranked higher in salary. In recent years, the average income of the Company's employees has been stable, averaging over 8 million VND/person/month every year. In addition, the Company has a bonus policy to encourage employees to strive in their work, specifically as follows:

- Bonus based on completion of production and business plan.
- Special rewards for individuals and groups that excellently complete assigned tasks.
- Reward for achieving emulation titles.

Other benefits: In addition to salary and bonus, employees at VIWACO also enjoy other allowances and subsidies according to their salary depending on their position, working capacity of each person and the Company's performance. Insurance policies such as Social Insurance, Health Insurance, Unemployment Insurance for employees are well implemented by the Company. Health care for employees, especially female employees, is of great concern. The Company organizes annual health check-ups for employees, subsidies for those in particularly difficult circumstances, and retirement benefits for retirees. In addition, cultural, artistic, sports, sightseeing, vacation activities, etc. are regularly organized to help all employees bond with each other; at the same time, improve knowledge about culture, economics, politics - society ... to build a labor force that is not only good at expertise but also always cares about society and the community.

3. Investment situation, project implementation situation:

In 2024, the Company implemented a number of projects to upgrade the water supply network according to the plan approved by the 2024 General Meeting of Shareholders with an estimated implementation volume of about 106.7 billion VND.

4. Financial position

Unit: million VND

TT	Target	2023	2024	% increase/decrease
1	Total asset value	872,588	1,113,980	127 %
2	Equity	521,494	713,498	1 37 %
3	Net revenue	838,631	1,071,342	12 8 %
4	Profit after tax	108,225	230,404	213%
5	Dividend payout ratio (cash)	12%	12%	

(Source: VIWACO's audited financial statements for 2023 and 2024)

5. Shareholder structure, changes in owner's capital

5.1 Shares

STT	Content	Detail	Proportion
1	Stock code	VAV	
2	Par value	10,000 VND/share	
3	Person in charge of publishing information	Mr. Tran Manh Hung Chief Financial Officer cum Chief Accountant	
4	Total shares outstanding	32,000,000 shares	100%
5	Type of shares	Popular	

5.2 Shareholder structure

STT	Shareholder structure	Share	Proportion
1	Vietnam Construction and Import-Export Corporation	16,320,000	51%
2	Hanoi Clean Water Company Limited	7,584,880	23.70%
3	Song Da Clean Water Investment Joint Stock Company	4,829,400	15.09%
3	Other Shareholders	3,265,720	10.21 %

5.3 Changes in owner's equity: none**5.4 Treasury stock transactions:** none**5.5 Other securities:** none**III. REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT****1. Business performance results in 2024***Unit: Billion VND*

Target	Plan 2024	Actual 2024	Actual 2023	Actual 2024 vs.	
				Plan 2024	Actual 2023
-Total Revenue and Income	1047.2	1085	850.2	104%	127%
- Profit after corporate income tax	116.5	230.4	108.2	198%	213%
- Investment development	610.1	106.7	71.8	18%	149%
- Dividends	12%	12%	12%	-	-

(According to audited financial report 2024)

In 2024, the second year of implementing the retail water price adjustment according to Decision No. 3541 by the People's Committee of Hanoi, the Company has performed well, meeting and exceeding the business targets set by the Annual General Meeting of Shareholders (AGM) 2024. Specifically, the water production volume and revenue in 2024 reached 80.9 million m³ and VND 1,056 billion, achieving 102% and 103% of the planned targets, respectively. Along with continued control over operating costs and the rate of water loss, this contributed to the business results in 2024 exceeding expectations, with after-tax profit reaching VND 230 billion, almost double the target and last year's performance, marking the highest level in the Company's history. The dividend rate for shareholders is expected to be implemented as planned, at 12% in cash, maintaining a high level of effectiveness compared to other companies in the industry. Additionally, the abundant undistributed profit reserve helps enhance the Company's financial capacity for future investments and expansion.

The value of development investment in 2024 reached only about 18% of the plan, mainly due to the water supply system project for 11 communes in Thanh Oai District being carried forward to the 2025-2027 phase. However, the Company successfully implemented most of the project tasks as planned, ensuring the goal of providing water to the local population.

2. Business plan for 2025

In 2025, the Company will build a production and business plan with a cautious orientation, focusing on the main task of ensuring safe water supply, meeting customer needs, specifically as follows:

a. The key targets for the 2025 plan:

Unit: billion VND

Target	TH 2024	KH 2025	% Change
- Total revenue and income	1085	1082.7	99 %
- Profit after tax	230.4	98.6	43%
- Development investment (*)	106.7	896.3	840%
- Dividend rate	12%	8%	

b. Solutions to implement the 2025 plan

* Clean water business operations:

This is the main business activity of the Company, accounting for over 90% of the total revenue. Since the Company's water supply coverage area has nearly been fully developed in recent years, the main goal remains focused on the maintenance and improvement of the pipeline network and enhancing customer management effectiveness to increase water supply volume and revenue. Additionally, the Company plans to continue working with several partners to take over new water supply systems and areas to expand the customer base and prepare for future growth plans.

In 2025, it is anticipated that the purchase price of input water from the supply units will fluctuate. The Company has been and will continue to work with relevant

departments and suppliers to negotiate water purchase prices to ensure sufficient water supply for customers and balance the interests of all water suppliers.

*** Construction Activities:**

As this activity complements the Company's main business, in 2025, Viwaco aims to maintain construction production and revenue at a low level, in line with the mechanical growth rate of customers installing water meters.

*** Development Investment Activities**

Since the water supply area is nearly fully covered, the Company will continue to focus on the maintenance, supplementation, and renovation of the water supply network, reducing losses to improve operational efficiency. Furthermore, the Company intends to work with several partners to take over new systems and water supply areas to increase volume and customers.

The main focus for 2025 will be investing in two projects: the "Construction of the Water Supply Pipeline for Thanh Oai District, Hanoi," and the "Construction of the Water Supply Network for 11 communes in Thanh Oai District, Hanoi," to supply water to the communes as per the signed Water Supply Service Agreement with the Department of Construction and the investment plan approved by the General Meeting of Shareholders and Investing/constructing offices for business operation.

IV BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S PERFORMANCE

1. The Company's business performance results in 2024:

Unit: billion VND

Indicators	Plan 2024	Actual 2024	Percentage compared to Plan
- Total revenue and income (billion VND)	1047.2	1085	104%
- Profit after corporate income tax (billion VND)	116.5	230.4	198%
- Investment development	610.1	106.7	18%
- Dividends	12%	12%	-

In 2024, under the direction and management of the Board of Directors and the Board of Management, along with the dedication and efforts of all company employees, the Company entered its second year of implementing adjustments to the retail price of clean water as per the Decision of the City People's Committee. The Company's revenue and after-tax profit targets exceeded the planned figures. Business efficiency significantly improved thanks to the comprehensive and synchronized measures implemented by the Board of Directors and the Board of Management, including

enhancements in management processes, increased labor productivity, and a strong focus on reducing clean water losses, thereby boosting revenue and profitability for the Company.

The organizational structure of Departments/Divisions, Units, and Teams has been maintained, consolidated, and supplemented to meet the requirements of business operations. The livelihoods of employees have remained stable, ensuring their peace of mind at work and encouraging continuous efforts to contribute to the Company's development. The workforce remains united, and each employee successfully fulfills their assigned duties.

2. Board of Directors' assessment of the performance of the company's Board of Management

In 2024, the personnel of the Board of Management remained stable, comprising one General Director and four Deputy General Directors.

Led by the General Director, the Board of Management operated the company's production and business activities in compliance with legal regulations, the Company's Charter, internal governance regulations, and business registration requirements. The members of the Board of Management are experienced, competent, well-qualified, and highly responsible. The General Director effectively implemented the Resolutions and Decisions of the Board of Directors in a timely manner, established a transparent working mechanism, and assigned specific responsibilities to each member, enabling them to maximize their proactiveness, creativity, and accountability in their assigned areas. As the legal representative of the company and the highest executive authority, the General Director successfully fulfilled his assigned duties.

The Board of Management held regular weekly meetings with the Chief Accountant, department directors, and heads of company units. Additionally, specialized meetings were conducted to address emerging issues promptly. The General Director frequently met and consulted with the Chairman of the Board of Directors to ensure timely decisions for directing all business activities.

- Financial and accounting activities, including cash flow management, were effectively and transparently handled, ensuring no overdue debts.
- The clean water business achieved its planned revenue and profit targets, ensuring an adequate water supply for residents while fulfilling the political tasks assigned by the City People's Committee.
- Shareholder relations and information disclosure continued to be well maintained.
- The Board of Management effectively coordinated with the company's Party organizations and trade unions to organize employee engagement activities and improve workers' material and spiritual well-being. The company also supported the development of Party and trade union organizations. Overall, company employees and Party members have a stable mindset and confidence in the leadership's plans and strategies.
- Employee income remained stable, fostering job satisfaction, unity, and determination to complete all assigned tasks.

- Investment in upgrading the water supply network was prioritized, enhancing water distribution in high-demand areas, reducing water loss, and increasing company revenue.
- Regarding the investment project for constructing the clean water supply network in Thanh Oai District, the following updates are provided to shareholders:
 - + On September 26, 2024, the company held an extraordinary General Meeting of Shareholders to approve the adjustment of the investment policy for two projects "Project for constructing a main water supply pipeline for the water supply system in Thanh Oai District, Hanoi" and "Project for constructing a water distribution network for 11 communes in Thanh Oai District, Hanoi."
 - + Under the authorization of the General Meeting of Shareholders, the Board of Directors has completed the following tasks: Approved the projects; Approved the contractor selection plan; Approved the construction drawings and cost estimates for both projects)
 - + The company is currently organizing the contractor selection process according to the approved plan.
 - + The company is coordinating with the Thanh Oai District People's Committee, the Department of Construction, the Department of Transport, and CIENCO5 Real Estate Development JSC to obtain construction permits.

3. SOME ORIENTATIONS FOR THE BOARD OF DIRECTORS' ACTIVITIES IN 2025

In 2025, with new opportunities and challenges ahead, the reduction in loan interest rates is a positive factor. However, the overall economic situation remains difficult, essential goods and service prices continue to rise, and inflation risks persist, all of which may affect the company's business operations. With the determination of the entire leadership team and employees to overcome difficulties, the Board of Directors has identified several key tasks to be carried out:

- i. Direct and coordinate with the Board of Management to work with relevant departments, agencies, and water suppliers to negotiate input water prices, ensuring a stable water supply for customers while balancing the interests of all water supply units.
- ii. Focus on directing, coordinating, and supervising the Board of Management in implementing solutions to successfully achieve the 2025 business plan approved by the General Meeting of Shareholders; develop management and operational scenarios to minimize difficulties that may impact the company's business operations.
- iii. Strongly reform corporate governance, thinking, and work style at all levels; actively restructure the organization and workforce; implement a salary payment mechanism and employee benefits policy in accordance with company regulations.
- iv. Manage and utilize cash flow scientifically, flexibly, and in compliance with regulations to ensure financial security; continue strengthening debt collection efforts and finalizing outstanding construction projects.
- v. Apply scientific and information technology advancements in business and network management to enhance operational efficiency. Focus on completing the procurement,

development, and upgrade project for the management software system based on GIS (Geographic Information System) to put it into operation.

- vi. Implement the construction of two projects: "Construction of the main water supply pipeline for the water supply system in Thanh Oai District, Hanoi" and "Construction of the water supply network for 11 communes in Thanh Oai District, Hanoi." Ensure timely execution as soon as road excavation permits are granted, to provide water supply to residents as planned.
- vii. Continue to fulfill corporate social responsibility effectively.

V. CORPORATE GOVERNANCE

1. Board of Directors

a) Members and structure of the Board of Directors

- The Board of Directors for the 2020-2025 term includes:

- 1. Mr. Duong Van Mau Chairman
- 2. Mr. Nguyen Huu Toi Member - General Director
- 3. Mr. Truong Tien Hung Non-executive member

Mr. Mau and Mr. Toi represent 51% of the voting rights of the parent company Vinaconex, Mr. Hung represents 23.7% of the voting rights of the major shareholder, Hanoi Clean Water One Member Co., Ltd.

b) Subcommittees of the Board of Directors : none .

c) Activities of the Board of Directors in year 2024

The Company's Board of Directors has a compact structure of 3 members, including 2 members of the major shareholder VINACONEX, so all management and direction activities or consultations are very focused and highly unified. The Board of Directors has successfully completed the tasks assigned by the General Meeting of Shareholders, operating in compliance with the law, the Company's Charter and the Board of Directors' Regulations, ensuring the role of comprehensive management and direction of the Board of Management in operating production and business, preserving and developing the Company's capital.

In 2024, the Board of Directors met or approved by ballot, and during the year, the following Decisions and Resolutions were issued:

1	01/NQ-HĐQT	January 16, 2024	Reappointment of the General Director and Chief Accountant
2	121/QĐ-HĐQT	January 24, 2024	Liquidation of Volvo vehicle and purchase of FORD Everest
3	02/NQ-HĐQT	January 30, 2024	Finalization of the date and agenda for the 2024 General Meeting of Shareholders
4	03/NQ-HĐQT	May 3, 2024	Reappointment of Deputy General Director Dinh Huu Canh

5	04/NQ-HĐQT	May 6, 2024	Dividend payment in cash for 2023
6	05/QĐ-HĐQT	June 28, 2024	Approval of the selection of the audit firm for 2024
7	2666/QĐ-HĐQT	November 12, 2024	Approval of the Project for the Construction of a Water Supply Pipeline for the Water Supply System in Thanh Oai District, Hanoi
8	2667/QĐ-HĐQT	November 12, 2024	Approval of the Project for the Construction of a Water Supply Network for 11 Communes in Thanh Oai District, Hanoi
9	2765/QĐ-HĐQT	November 25, 2024	Approval of the Contractor Selection Plan for the Project on the Construction of a Water Supply Pipeline for the Water Supply System in Thanh Oai District, Hanoi
10	2766/QĐ-HĐQT	November 25, 2024	Approval of the Contractor Selection Plan for the Project on the Construction of a Water Supply Network for 11 Communes in Thanh Oai District, Hanoi
11	2903/QĐ-HĐQT	December 10, 2024	Approval of the Construction Drawing Design, Cost Estimate, and Total Cost Estimate for the Project on the Construction of a Water Supply Pipeline for the Water Supply System in Thanh Oai District, Hanoi
12	3000/QĐ-HĐQT	December 23, 2024	Approval of the Construction Drawing Design, Cost Estimate, and Total Cost Estimate for the Project on the Construction of a Water Supply Network for 11 Communes in Thanh Oai District, Hanoi

2. Board of Supervisors

a) Members and structure of the Board of Supervisors

Board of Supervisors' personnel remain unchanged, including:

- Ms. Nguyen Thi Quynh Trang - Head of Supervisory Board
- Mr. Pham Thanh Binh - Controller
- Ms. Tran Thi Kim Oanh - Controller

b) Activities of the Board of Supervisors

In 2024, the Supervisors and the Board of Supervisors conducted inspections and supervision of compliance with legal provisions, the Charter of organization and operation and internal regulations of the Company in the management and operation

of production and business activities of the Board of Directors and the Executive Board, specifically as follows:

- Evaluate the performance of the Board of Directors, Executive Board, review the financial statements and business performance results of the Company in 2024; Approve the Reports/Submissions of the Board of Supervisors to the 2024 Annual General Meeting of Shareholders.
- Coordinate with the Board of Directors and the Executive Board of the company in organizing the Company's 2024 Annual General Meeting of Shareholders.
- Support the company in selecting an independent auditor to review and audit the Company's 2024 Financial Statements.
- Review the legality and procedures for issuing Resolutions and Decisions of the Board of Directors and General Director of the Company, in compliance with the provisions of the Law and the Company Charter.
- Monitor and evaluate the activities of the Board of Directors, Executive Board, and business results in 2024; review quarterly and annual financial reports to assess the truthfulness and reasonableness of financial data, compliance with Vietnamese standards and corporate accounting regimes and current legal regulations;
- Attend and give opinions at meetings of the Board of Directors, supervise the implementation of resolutions of the Annual General Meeting of Shareholders, resolutions/decisions of the Board of Directors.
- Monitor compliance with the company's information disclosure regulations in accordance with the provisions of law;
- Perform other tasks according to functions and duties.

3 . Transactions, remuneration and benefits of the Board of Directors, Executive Board and Supervisory Board

a) Salary, bonus, remuneration, benefits

Income includes salaries , remuneration, bonuses and other benefits enjoyed by members of the Board of Directors, Board of General Directors and Board of Supervisors during the year as follows:

			Unit : VND
Name	Position	Income	
		This year	Last year
Board of Directors			
Mr. Duong Van Mau	Chairperson	600,000,000	600,000,000
Mr. Nguyen Huu Toi	Member of Board of Directors and General Director	360,000,000	360,000,000
Mr. Truong Tien Hung	Board Member	360,000,000	360,000,000
Board of Management			

Unit : VND

Mr. Dinh Huu Canh	Deputy General Manager	869,970,000	759,513,043
Mr. Cao Hai Thap	Deputy General Manager	950,060,000	844.423.826
Mr. Do Xuan Tien	Deputy General Manager	869,970,000	760,513,043

Board of Supervision

Ms. Nguyen Thi Quynh Trang	Head	360,000,000	360,000,000
Mr. Pham Thanh Binh	Member	120,000,000	120,000,000
Mrs. Tran Thi Kim Oanh	Member	120,000,000	120,000,000
TOTAL		4,610,000,000	4,284,449,912

b) Insider stock transactions : none

c) Contracts or transactions with insiders

		Unit: VND		
Related parties	Relationship	Transactions	Current year	Previous year
Song Da Water Investment Joint Stock Company	Shareholder	Purchase clean water	364,660,544,820	346,565,189,644
		Dividends payable	5,795,280,000	5,795,280,000
		Dividends paid in cash	5,795,280,000	5,795,280,000
		Sales of clean water transmission	15,930,600	926,329,800
Vietnam Construction and Import - Export Joint Stock Corporation	Parent Company	Dividend payable	19,584,000,000	19,584,000,000
		Dividends paid in cash	19,584,000,000	19,584,000,000
		Lending	900,000,000,000	-
		Collection of lending	900,000,000,000	-
		Lending interests	3,693,936,985	-
		Office rental	1,994,421,818	-
		Royalty fee payable	250,000,000	250,000,000
Vietnam Urban Services and Investment Joint Stock Company	Associate of Parent company	Sale of clean water	11,611,245,758	9,643,460,033

Hanoi Clean Water One Member Limited Company	Share holder	Dividends payable	9,101,856,000	9,101,856,000
		Dividends paid in cash	9,101,856,000	9,101,856,000
		Purchase of water	4,094,160,452	2,992,975,555
Vietnam Construction Joint Stock Company No.12	Associate of Parent company	Sale of clean water	276,804,500	279,763,964
		Lending	-	2,000,000,000
		Purchase of goods	-	827,146,364
Ly Thai To Education One Member Company Limited	Affiliate	Sale of clean water	416,068,519	-
		Revenue from construction work	386,710,500	-
Vietnam Construction Joint Stock Company No. 1	Affiliate	Sale of clean water	47,620,000	43,443,483

VI. AUDITED FINANCIAL STATEMENTS

1. Audit opinion

The financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

2. Audited financial statements

The 2024 financial report has been audited, approved for release on March 6, 2025 and published on the Company's website on March 12, 2025.

Hanoi, 31/3/2025

REPRESENTATIVE BY LAW



TỔNG GIÁM ĐỐC
Nguyễn Hữu Tài