

**VIETNAM WATER AND
ENVIRONMENT INVESTMENT
CORPORATION - JSC
(VIWASEEN)**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

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Hanoi, June 12, 2025

REPORT

**Activities of the Board of Directors in 2024
Directions and Tasks for 2025**

**To: The 2025 Annual General Meeting of Shareholders
Vietnam Water and Environment Investment Corporation – JSC
(VIWASEEN)**

- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020;
- Pursuant to the Charter on the Organization and Operation of Vietnam Water and Environment Investment Corporation – JSC;
- Pursuant to the Regulations on Organization and Operation of the Board of Directors of the Corporation;

The Board of Directors (BOD) hereby presents its self-assessment and reports to the General Meeting of Shareholders on the results of operations in 2024 and the key focus areas for the 2025 action plan as follows:

Part One

BOARD OF DIRECTORS' ACTIVITIES IN 2024

I- STRUCTURE AND PERSONNEL OF THE BOARD OF DIRECTORS

As of now, the Board of Directors of the Corporation comprises 5 members:

1. **Mr. Lê Minh Đức** – Chairman of the Board (Non-executive member)
2. **Mr. Ngô Văn Dũng** – Board Member, General Director (Executive member)
3. **Mr. Vũ Đoàn Chung** – Board Member, Deputy General Director (Executive member)
4. **Mr. Nguyễn Duy Hùng** – Board Member (Non-executive member)
5. **Mr. Nguyễn Anh Tùng** – Board Member (Non-executive member)

II- ACTIVITIES OF THE BOARD OF DIRECTORS

In 2024, the Board of Directors (BOD) held 08 official meetings and conducted 33 rounds of written consultations, resulting in 20 resolutions and 15 decisions to guide the Executive Board and member units in implementation. All

resolutions, decisions, and meeting minutes have been archived and disclosed in accordance with regulations. Key activities of the Board in 2024 included:

- Developing, issuing, and implementing the 2024 annual work program;
- Approving the audited 2023 financial statements and organizing the successful 2024 Annual General Meetings for the Parent Company and subsidiaries;
- Directing and supervising the Executive Board in executing key projects (Song Da, Siem Reap, Phnom Penh airport, Nhon Hoi, etc.) with respect to progress, quality, and efficiency, and steering the construction activities aligned with the Corporation's business strategy;
- Instructing the Executive Board to focus on project acceptance, payment processing, internal settlement, debt recovery, and handling of assets and inventories within their authority;
- Approving strategic directions and schedule adjustments for key investment projects such as the 52 Quốc Tử Giám Office Building, the relocation of the DeepC Water Treatment Plant, and the installation of raw water pipelines in the DeepC Industrial Zone; approving final settlement of Phase 1 investment capital for DeepCI and DeepCII water treatment projects; and instructing the Executive Board to propose the termination of a partnership with Tiên Đại Phát Co., Ltd. and consider alternative investment plans for the Hạ Đình project;
- Proposing plans for reallocation of real estate in accordance with Decrees No. 67/2021/NĐ-CP, No. 167/2017/NĐ-CP, and performing reviews as required by Decree No. 03/2025/NĐ-CP dated January 1, 2025, Directive No. 47/CT-TTg dated December 24, 2024, and Official Dispatch No. 994/BTC-QLCS from the Ministry of Finance;
- Approving the implementation of divestments from selected companies as per the Corporation's approved 2021–2025 restructuring plan;
- Appointing corporate capital representatives to boards and supervisory committees of subsidiaries and directing them to enhance governance and operations, ensuring compliance with laws during annual and extraordinary shareholders' meetings;
- Approving and ratifying credit lines, wage fund implementation for 2023 and planning for 2024, and personnel appointments under management authority.
- *(Details of resolutions and decisions are listed in Appendix 01 attached.)*
 - Directed the Executive Board to focus on project acceptance and payment processing, conduct internal final settlement, review and recover outstanding debts, handle liabilities, and propose the disposal of assets and inventories within their authority.

III- SUPERVISION OF THE EXECUTIVE BOARD.

1. Supervision of the Executive Board's Activities.

The Board of Directors exercised its supervisory role over the Executive Board in the following areas:

- Implementation of 2024 AGMS resolutions and BOD resolutions/decisions; deployment of solutions in bidding, construction, settlement and payment, project execution, organizational restructuring, personnel management, corporate governance enhancement, cost-saving efforts, etc., to improve performance in business and investment activities;

- Monitoring compliance with the Corporation's Charter, internal rules, and financial management, including asset use, capital mobilization, loans, and funding for operations and investment; oversight of inventory audits, post-audit handling, and financial reporting;

- Monitoring the implementation of the collective labor agreement and policies for employees.

The business and production operations of the Corporation were directed and supervised by the Board of Directors (BoD). The BoD's oversight was conducted in accordance with its authority and regulations, without obstructing the Executive Board's management activities.

2. Evaluation of the Executive Board's Performance

The Board concurred with the Executive Board's assessment regarding performance in various operational areas, as stated in the General Director's report. The Executive Board had made notable efforts in seeking new projects and implementing business and investment tasks according to resolutions. However, adjustments in management methods and stricter adherence to internal regulations are needed

2.1. Results of the 2024 Business and Investment Plan Implementation.

Overall, the business and investment results in 2024 did not meet the targets set by the 2024 AGMS.

The Corporation's operations focus on three main sectors: Construction, Water and Utility Services, and Real Estate/Other Services. The construction sector, as the traditional core business, continues to account for over 80% of output and revenue, but remains inefficient and risky, and is facing fierce competition in a narrow market. In contrast, industrial production, services, and real estate business remained stable, achieved planned targets, and positively contributed to the Corporation's financial health. Given this context, both in the past year and going forward, the BOD is oriented toward reducing the proportion of construction activities, implementing stronger measures to improve its effectiveness, and focusing on investing in sector-specific projects and real estate developments tied to current land assets. The business and production results over the past year are as follows:

Unit: billion Dongs

Item	Key Indicators	Plan for 2024	Actual Performance 2024	Achievement Rate (%) vs. 2024 Plan
A	Parent Company			
1	Production and Business Value	408,2	340,0	83,3%
2	Development Investment	20,0	4,05	20,3%
3	Total Revenue	406,2	307,7	75,8%
4	Profit Before Tax	5,6	2,4	42,6%
5	State Budget Contribution	10,8	19,4	179,6%
B	Consolidated the Entire Corporation			
1	Production and Business Value	1.243,6	1.111,6	89,4%
2	Development Investment	104,1	25,8	24,8%
3	Total Consolidated Revenue	1.081,8	885,1	81,8%
4	Profit Before Tax	26,6	23,7	89,1%
5	State Budget Contribution	39,5	54,3	137,5%

2.2. Capital Management, Utilization, Preservation, and Development

As of December 31, 2024, total liabilities amounted to VND 516.7 billion, accounting for 45.6% of total capital, while equity capital was VND 615.5 billion, representing 54.4%. The debt-to-equity ratio remained within a safe range (0.84); however, the Company's business and financial activities faced significant difficulties throughout the year.

Construction management and execution, along with payment and final settlement of completed work and capital recovery, remained ineffective. This resulted in high accounts receivable, prolonged project timelines, and increased costs. A considerable amount of capital was tied up in production and payment cycles. Additionally, inadequate planning and cash flow management led to severe liquidity constraints at times, affecting the Company's ability to meet working capital and debt repayment needs. These issues significantly impacted financial control and the preservation of capital.

Capital mobilization from banks and financial institutions was carried out in compliance with legal regulations and Board of Directors' (BoD) resolutions. However, the Company faced difficulties in timely debt repayment, posing a potential risk to its credit rating in the future.

2.3. Fulfilling Obligations to the State Budget and Employees

Due to financial difficulties, obligations were not fulfilled in a timely manner. This included delays in salary payments, social insurance contributions, and tax obligations.

2.4. Corporate Restructuring

Restructuring financial investments: In 2024, the BoD continued implementing the 2021–2025 restructuring plan approved by the 2021 Annual General Meeting of Shareholders, including divestments from six companies not subject to property rearrangement under Decree 167/2017/ND-CP and Decree 67/2021/ND-CP (Viwaseen.6, Viwaseen.11, Viwaseen.14, Wahsin, Petrowaco, and PVOil Phu Tho). However, divestment activities were temporarily suspended following a directive from SCIC.

To enhance operational efficiency and financial capacity for core investments, the BoD will continue to implement the approved 2021–2025 restructuring plan in 2025. The BoD respectfully proposed that the General Meeting of Shareholders authorize the BoD to determine the appropriate timing for divestment based on principles of transparency, compliance with legal regulations, and optimization of benefits for the Company and shareholders.

- Restructuring the production system and management apparatus: The current production organization and management apparatus face significant overlap and inefficiencies. The Company has been being in the process of reorganizing departments and subsidiaries, streamlining operations, and optimizing human resources toward a leaner, more effective structure. (Expected: 03 departments, 02 boards, and 04 branches).

2.5. Management and Rearrangement of Office Buildings and Land.

In compliance with directives from the Committee for State Capital Management and SCIC, the Company had conducted reviews, measurements, and reporting, and proposed arrangements for properties subject to rearrangement under Decree 67/2021/ND-CP and Decree 167/2017/ND-CP. Following recent government policy changes, the Company continued to revise and implement property arrangements per Decree 03/2025/ND-CP (dated January 1, 2025), Directive 47/CT-TTg (dated December 24, 2024), Official Letter No. 994/BTC-QLCS from the Ministry of Finance, and Document No. 194/ĐTKDV-KHTH dated February 20, 2025, from SCIC.

IV- OPERATING EXPENSES AND REMUNERATION FOR THE BOD AND SUPERVISORY BOARD IN 2024

Pursuant to the 2024 AGMS resolution and its authorization, the remuneration fund approved based on 2023 performance and 2024 plans was disbursed as follows:

1. Final remuneration for 2023: Total VND 835.4 million, including:

- Non-executive BoD and Supervisory Board members: VND 168 million (approved but not yet paid).

- Executive members: VND 667.4 million (VND 629.2 million paid in 2023, VND 38.2 million paid in 2024).

2. Estimated remuneration for 2024: Total VND 823.1 million, including:

- Non-executive members: VND 168 million (approved, not yet disbursed).

- Executive members: VND 655.1 million, with VND 552.8 million advanced during the year, to be finalized based on 2024 actual business results.

V- EXISTING ISSUES AND ROOT CAUSES

The BoD largely fulfilled its assigned responsibilities per the AGMS, overseeing and directing management activities, approving remuneration, and appointing audit firms in accordance with shareholder resolutions. However, the BoD acknowledged shortcomings in supervision and guidance, especially considering the Company's failure to meet business targets and other persistent issues.

1. Key Issues

- Business targets were not achieved; construction execution, payment settlements, and capital recovery were delayed; certain financial investments yielded low or no returns.

- The restructuring plan was delayed; financial statements contained exceptions, posing risks; there were no dividends, and salary delays, social insurance debts, and tax arrears persisted, leading to a fragile financial situation.

- Internal management policies and corporate governance framework remain incomplete; compliance frameworks are still under development.

- Management lacked professionalism; senior executives and technical professionals were in short supply, affecting operations—particularly construction management.

- The Company has yet to fulfill its compliance commitments under the World Bank agreement; the WB sanction remains unresolved, hindering bidding participation.

- Many subsidiaries have nearly ceased operations, with prolonged salary and insurance arrears.

2. Root Causes

Apart from objective causes stemming from market economy fluctuations that affected the implementation of plans and operations, the underlying issues largely originate from internal (subjective) causes, including:

– Inappropriate methods of organizing, managing, and executing construction activities; ineffective governance; and improper allocation and utilization of capital during operations.

– The restructuring and reorganization of the production system, management apparatus, and staffing at the Corporation were not carried out in a timely manner, thereby hindering operational efficiency and cost optimization.

– A lack of flexibility and slow adaptation to the market economy and changes in state policies across various activities, roles, and professional functions.

– Inadequate remuneration and incentive policies, coupled with underdeveloped human resource management and staff development practices, have not met operational demands.

DIRECTION AND TASKS FOR 2025

Acknowledging that 2025 will continue to present a mix of challenges and opportunities within a volatile economic context, the BoD has identified the following as core tasks for 2025:

1. As the corporate governance body, the BoD will fulfill its legal rights and obligations under applicable laws, the Company Charter, internal governance regulations, and shareholder resolutions, always prioritizing the interests of the Company and its shareholders. The BoD will ensure its leadership, direction, and oversight roles are fully exercised to guide the Executive Board in completing the 2025 business and investment targets.

Unit: billion Dongs

Item	Business Performance Indicators	Parent Company	Consolidated (Entire Corporation)
1	Production and Business Value	487,8	1.255,7
2	Development Investment	22,9	56,2
3	Total Revenue	503,9	1.143,3
4	Profit Before Tax	2,6	27,7
5	State Budget Contribution	12,0	42,3
6	Dividends	0%	-

2. Continue focusing business production activities on the core sectors: Construction – Investment (water business, real estate, finance) – Services. Specifically:

a) Continue to maintain construction activities with an appropriate and gradually decreasing proportion, optimize costs, and improve efficiency in this sector; only select to execute contracts that meet efficiency criteria, implement subcontracting, and avoid direct construction work.

b). Concentrate resources on investment and development based on financial restructuring, implement existing projects, and bring them into operation promptly *to create a foundation and driving force for development. Focus on business and effective exploitation of completed projects.* Strengthen management, supervision, implementation of investment, and project settlement to ensure compliance with regulations. Accelerate investment steps in projects already authorized for research and implementation, focusing on finding solutions to remove difficulties, selecting appropriate investment methods or new investment cooperation in accordance with the law.

i. At the Parent Company, focus on implementing the following projects:

- The relocation project of the clean water treatment station supplying DeepC1 and DeepC2 industrial parks in Hai Phong city; installation of the raw water pipeline at DeepC1 industrial park, Hai Phong city.

- Project at 52 Quoc Tu Giam, Hanoi: review, evaluate the progress, feasibility of project implementation and related obstacles; actively follow up and work with competent authorities to promptly complete investment preparation procedures and commence project implementation if conditions are met (before the project's investment certificate expires in June 2026). If conditions are not met for early implementation, the Board of Directors directs the Executive Board to consider proposing an office renovation plan to relocate the Corporation's headquarters to 52 Quoc Tu Giam to optimize office space at 48 To Huu and reduce costs.

- Project at 56-58 alley 85 Ha Dinh: continue to arrange contract termination with Tien Dai Phat Company and complete necessary procedures to implement the project when conditions are suitable.

ii. At subsidiary companies, focus on the complex project on the land in District 9, Thu Duc city.

c) Improve the quality of financial investment and service business operations.

3. Continue implementing the restructuring plan in 2025 and subsequent periods upon approval by the General Meeting of Shareholders, aiming to restructure finances, focus resources on investment, and manage capital allocation, limits, and debt payments properly to ensure safety in cash flow management and financial control;

4. Develop and implement a plan to optimize the exploitation and use of existing assets, including office floors and kindergarten at 48 To Huu; land and properties at 52 Quoc Tu Giam, 56-58 alley 85 Ha Dinh...

5. Restructure production organization, management apparatus, and streamline labor resources to be efficient and meet requirements for management, operation, and professional work. Develop and implement reasonable remuneration policies and train a professional and qualified workforce to meet job demands.

The Board of Directors of the Corporation respectfully submits to the General Meeting of Shareholders!

ON BEHALF OF THE BOARD OF
DIRECTORS

CHAIRMAN



Le Minh Duc

LIST OF RESOLUTIONS AND DECISIONS ISSUED BY THE BOARD OF DIRECTORS IN 2024

(Attached to the 2024 Board of Directors' Activity Report and the Orientations and Tasks for 2025)

Item	Resolution/Decision No.	Date	Description	Approval Rate
A	RESOLUTIONS			
1	417/NQ-HĐQT	16/01/2024	Resolution of the 26th Board Meeting dated January 9, 2024.	5/5
2	426/NQ-HĐQT	09/04/2024	Resolution on the approval of the plan to organize the 2024 Annual General Meeting of Shareholders (AGM).	5/5
3	434/NQ-HĐQT	19/04/2024	Resolution of the 27th Board Meeting dated April 8, 2024	5/5
4	438/NQ-HĐQT	25/04/2024	Resolution on salary level adjustment for management staff at the Corporation.	5/5
5	440/NQ-HĐQT	02/05/2024	Resolution on personnel matters.	5/5
6	445a/NQ-HĐQT	06/05/2024	Resolution on personnel matters.	5/5
7	453/NQ-HĐQT	31/05/2024	Resolution on the approval of the schedule and draft documents for the 2024 AGMS.	5/5
8	454/NQ-HĐQT	10/06/2024	Resolution approving the audited 2023 financial statements and documents to be submitted to the 2024 AGMS (the 28th Board Meeting).	5/5
9	02/NQ-HĐQT	21/06/2024	Resolution on electing the Chairman of the Board of Directors for the 2024–2029 term	5/5
10	06/NQ-HĐQT	15/07/2024	Resolution of the 2nd Board Meeting dated July 10, 2024	5/5
11	13a/NQ-HĐQT	15/08/2024	Resolution on implementing two projects in the Kingdom of Cambodia.	5/5
12	15/NQ-HĐQT	20/08/2024	Resolution on personnel matters.	5/5
13	18/NQ-HĐQT	30/08/2024	Resolution approving the extension of a credit agreement with BIDV – Ha Thanh Branch.	5/5
14	26/NQ-HĐQT	07/10/2024	Resolution of the 3rd Board Meeting dated October 4, 2024	5/5
15	28/NQ-HĐQT	23/10/2024	Resolution approving credit limits, collateral, and authorizing the General Director to sign contracts and documents related to loan and guarantee applications at banks.	5/5
16	30/NQ-HĐQT	30/10/2024	Resolution on the implementation of capital divestment from companies	5/5

			under the Corporation's 2021–2025 restructuring plan.	
17	31/NQ-HĐQT	15/11/2024	Resolution on the implementation of EPC Package 01: Design, procurement of materials and equipment for construction and installation for the Nhon Hoi Economic Zone water supply system.	5/5
18	32/NQ-HĐQT	15/11/2024	Resolution on the Corporation's construction and installation business activities.	5/5
19	37/NQ-HĐQT	09/12/2024	Resolution on personnel matters.	5/5
20	39/NQ-HĐQT	25/12/2024	Resolution approving the finalization of the 2023 wage fund and the 2024 wage plan.	5/5
B	DECISIONS			
1	422/QĐ-HĐQT	19/02/2024	Decision approving the adjustment of objectives and schedule for the Office Building Investment Project at 52 Quoc Tu Giam, Van Mieu, Dong Da, Hanoi.	5/5
2	424/QĐ-HĐQT	18/04/2024	Decision on the establishment of the organizing committee for the 2024 AGMS of the Parent Company – the Corporation.	5/5
3	424a/QĐ-HĐQT	15/03/2024	Decision approving the finalization of investment capital for the Clean Water Treatment Plant Project (Phase 1 – capacity: 2,500 m ³ /day) for Deep CI and Deep CII Industrial Zones.	5/5
4	439/QĐ-HĐQT	25/04/2024	Decision approving the contractor selection result for Package No. 5: "Independent Audit Consulting" under the Clean Water Treatment Plant Project for Deep CI and Deep CII Industrial Zones., Phase II (raising capacity to 10,000 m ³ /day).	5/5
5	441a/QĐ-HĐQT	04/05/2024	Decision on assigning the Corporation's capital representative and nominating for the Board of Directors of VIWASEEN.11 JSC for the 2024–2029 term	5/5
6	443/QĐ-HĐQT	06/05/2024	Decision on salary level adjustment for the Corporation's management staff (Mr. Le Minh Duc – Chairman of the Board).	5/5
7	449/QĐ-HĐQT	17/05/2024	Decision on establishing the Shareholder Status Verification Committee for the 2024 AGMS.	5/5
8	04/QĐ-HĐQT	02/07/2024	Decision on sending staff abroad (Mr. Truong Huy Hai, Ms. Bui Khanh Linh,	5/5

			Mr. Doan Vu Tien, Mr. Hoang Nguyen Hai) from July 23 to July 26, 2024.	
9	08/QĐ-HĐQT	15/07/2024	Decision on assigning duties to BOD members for the 2024–2029 term..	5/5
10	11/QĐ-HĐQT	24/07/2024	Decision approving the selection of an audit firm for the Corporation's 2024 financial statements.	5/5
11	16/QĐ-HĐQT	20/08/2024	Decision approving the investment policy for the relocation project of the DEEPCI & DEEPCII Water Treatment Plant in Dinh Vu Economic Zone – Hai Phong.	5/5
12	19/QĐ-HĐQT	06/09/2024	Decision on assigning the Corporation's capital representative and nominating for the Member Council of Dai Viet – Wahsin Ductile Iron Pipe Co., Ltd.	5/5
13	40/QĐ-HĐQT	26/12/2024	Decision on terminating the authorization of the capital representative of the Corporation at VIWASEEN 3 JSC (Mr. Nguyen Huu Hanh).	5/5
14	41/QĐ-HĐQT	26/12/2024	Decision on authorizing a new capital representative at VIWASEEN 3 JSC (Mr. Luu Xuan Quang).	5/5
15	42/QĐ-HĐQT	31/12/2024	Decision approving the investment policy for the construction and installation of a raw water pipeline in Deep CI Industrial Zone, Hai Phong City.	5/5

