

No: 262/BCTN-CNHP

Haiphong, April 14th, 2025

2024 ANNUAL REPORT

I. GENERAL INFORMATION

1. Overview

- Trading Name: HAIPHONG WATER JOINT STOCK COMPANY
- Business Registration Certificate No.: 0200171274
- Charter Capital: VND 742,069,400,000
- Owner's Invested Capital: VND 742,069,400,000
- Address: No. 54 Dinh Tien Hoang, Hong Bang District, Haiphong City
- Phone Number: 02253.745.377
- Fax Number: 02253.823.748
- Website: capnuochaiphong.com.vn
- Stock Code: HPW
- History and Development:

Summary of Development Process:

+ From 1905 till May 13, 1955: Water supply facilities were designed, constructed, and managed by the French, including: a water treatment plant with a capacity of 5,000 m³/day in Lan Thap, Uong Bi, Quang Ninh; a 33-km D600 water pipeline from Lan Thap to Haiphong (built in the early 1900s); Dinh Tien Hoang booster pumping station (built in 1934) consisting of one 25m-high water tower with a capacity of 500 m³, six 8m-high water towers with a total capacity of 1,800 m³, and one booster pumping station. From 1934 to 1954, two groundwater wells were constructed at the City's Grand Theatre and Trai Cau, with a combined extraction capacity of 3,840 m³/day.

+ From 1955 to 1986: Haiphong Water Treatment Plant was officially established in 1967 under the management of the Housing and Land Department (now the Department of Construction).

+ 1986: Haiphong Water Treatment Plant was transformed into Haiphong Water Supply Company pursuant to Decision No. 845/QD-UB dated October 28, 1986, "On renaming and defining the authority of Haiphong Water Supply Company" by the Haiphong City People's Committee.

+ 1993: The Haiphong City People's Committee issued Decision No. 71/QD-TCCQ dated January 14, 1993, on the establishment of a state-owned enterprise and the operational regulations of Haiphong Water Supply Company.

+ 1998: The Lan Thap Water Treatment Plant in Uong Bi was handed over to Quang Ninh Province for management and operation to supply water to Quang Ninh.

+ 2007: Haiphong Water Supply Company was converted into Haiphong Water Supply One-Member Limited Company, operating under the Enterprise Law pursuant to Decision No. 1787/QD-UBND dated August 10, 2006. The Company's Charter was approved under Decision No. 2801/2006/QD-UBND dated December 25, 2006.

+ 2008: The Company took over and managed the Vinh Bao Water Treatment Plant from Vinh Bao District and the Cat Ba Electricity and Water Subsidiary from Cat Hai District.

+ 2009: Vat Cach Water Supply Subsidiary was equitized into Vat Cach Water Supply Joint Stock Company (now Haiphong Number Two Water Business Joint Stock Company).

+ April 2015: Haiphong Water Supply One-Member Limited Company was transformed into Haiphong Water Joint Stock Company pursuant to Decision No. 732/QD-UBND dated April 9, 2015.

+ November 11, 2016: The Hanoi Stock Exchange approved the Company's registration for stock trading.

2. Business Sector and Operating Area

2.1. Main Business Activities:

- Exploitation, production, and distribution of clean water for domestic use, industrial production, and other needs in Haiphong City. Production of purified water (bottled drinking water).

- Surveying, designing, supervising, and constructing technical infrastructure, water supply and drainage systems, civil and industrial constructions, electrical, mechanical, and transportation projects.

- Consulting services on water quality management, planning, investment project development, water supply project appraisal, water quality testing, cold water meter calibration, and wholesale of water industry equipment and materials.

2.2. Operating Area: Haiphong City

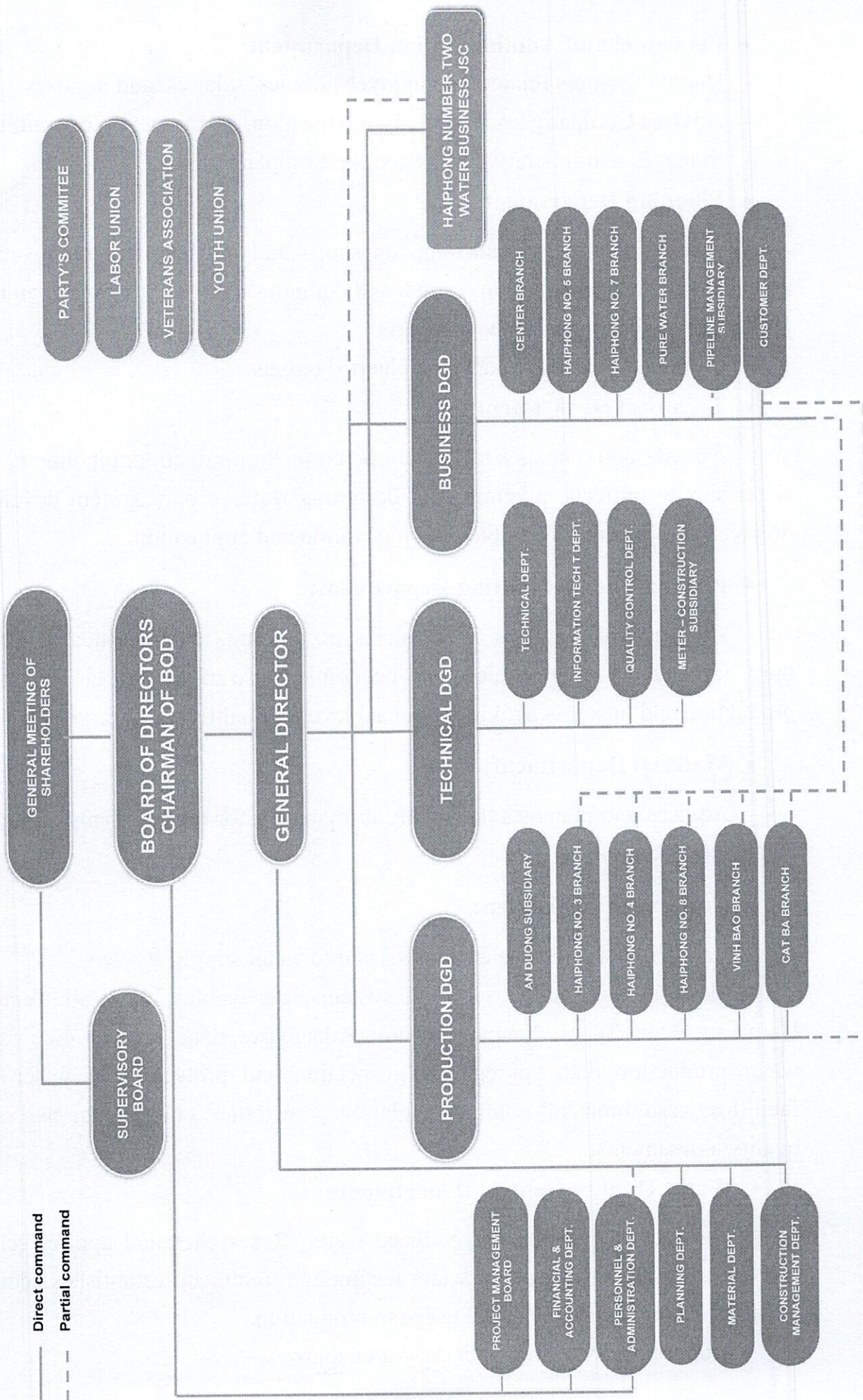
3. Information on Governance Model, Business Organization, and Management Structure

*** Governance Model:** As stipulated in Clause A, Article 137 of the Enterprise Law.

*** Management Structure:**

ORGANIZATIONAL CHART OF HAIPHONG WATER JOINT STOCK COMPANY

- Direct command
- - - Partial command



*** Functions of Departments:**

• Personnel and Administration Department:

- Handles matters related to employee policies, salaries, and bonuses.
- Advises Company leadership on organization, recruitment, and training.
- Manages administrative tasks and the Company's seal.

• Planning Department:

- Advises Company leadership on short- and long-term planning, monitors and evaluates implementation results, and compiles monthly, quarterly, and annual production and business activity reports.

- Proposes measures to achieve planned targets.

• Technical Department:

- Advises and manages technical operations in production, pipeline networks, water supply projects, planning and designing water supply system development projects, and plans for technological innovation and application.

• Finance and Accounting Department:

- Advises and manages all financial, accounting, and statistical activities of the Company. Ensures efficient and economical use of capital, closely monitors production and business activities, and achieves annual financial targets.

• Material Department:

- Advises and manages the supply of materials for the Company's production and business activities.

• Customer Department:

- Handles customer transactions related to water supply services.

- Manages and operates billing systems, receivables, the Call Center, the Haiphong Water Supply Fanpage, customer databases, data entry, invoice issuance, water production data aggregation, inspection and protection of water supply facilities, resolution of contract violations, customer complaints, and service quality assessments.

• Water Quality Control Department:

- Manages the quality of produced water. Researches and applies scientific and technical advancements in water testing and treatment, establishes economic-technical standards for chemical usage in production.

- Monitors current and potential water sources.

- **Information Technology Department:**

- Manages, maintains, monitors, and ensures the smooth operation of computer networks and IT equipment, including hardware and software.
- Designs and operates automation systems and SCADA systems throughout the Company.

- **Construction Management Department:**

- Reviews and approves construction investment projects in compliance with legal regulations, updates legal documents related to the Company's production and business activities.
- Proposes and verifies compliance with legal regulations in construction activities.

- **City Water Supply and Sanitation Project Management Board:**

- Represents the investor in managing assigned construction and investment projects.
- Advises the investor on investment procedures in accordance with construction and bidding laws, decrees, and other legal regulations.
- Prepares investment projects, conducts surveys, designs, estimates, and approves design documents.
- Organizes bidding, selects contractors, signs contracts with contractors, and selects supervision consultants.
- Conducts project settlements in accordance with state regulations on investment and construction management.

- * **Functions of Subsidiaries and Branches:**

- Produce and distribute clean water and conduct other activities within the scope assigned to the enterprise or branch.
- Bear legal responsibility and accountability to the Company's Management Board for all activities related to production, business, assets, and personnel assigned to the unit.

- * **Subsidiary Company:**

- Haiphong Water Joint Stock Company holds a controlling stake in Haiphong Number Two Water Business Joint Stock, formerly the Vat Cach Water Supply Subsidiary, located in Do Nha Village, Tan Tien Commune, An Duong District, Haiphong City. It was converted into a joint stock company on July 1, 2009.

- Ownership and voting ratio: 65.29%, with an investment value of VND 21,938,000,000.

- Main business activities of the subsidiary: Exploitation, production, and distribution of clean water for domestic use, industrial production, and other demands.

4. Development Orientation

4.1. Main Objectives of the Company

- Meet the water usage needs of households in the service area, ensuring 100% of urban households have access to clean water meeting the local technical standard for clean water used for domestic purposes in Haiphong City (QCDP 02:2023), achieving customer satisfaction.

- Modernize the water supply infrastructure to reach the level of developed cities in the region, aiming to match the standards of advanced countries worldwide.

- Ensure at least 99% customer satisfaction with product and service quality. Build and implement the Company's culture.

- Maintain and continuously improve the quality management system in accordance with ISO 9001 standards.

- Fully and promptly meet customer demands in the service areas.

4.2. Medium- and Long-Term Development Strategy:

- Fully and promptly meet customer water demands, ensuring 24/24 water supply with a minimum pressure of $\geq 15\text{m}$ water column at the end of main pipelines, gradually increasing pressure to reach $\geq 20\text{m}$ at customer meters (to be implemented in phases and areas).

- Enhance water supply services to meet public service standards.

- Improve and enhance the quality of services related to meter installation, relocation and resizing,...

- Maintain, improve, and develop rapid post-meter installation and repair services for customers as per agreements.

- Maintain diverse water bill payment methods.

- Accept and resolve water supply service requests online via the Company's website and Call Center.

- Strive to reduce the overall non-revenue water rate to $\leq 11.7\%$.

- Invest in key projects to build, upgrade, and expand water treatment plants, transmission and distribution pipelines, and service areas to meet the city's

domestic, industrial, and tourism water demands. Develop a roadmap for water supply projects aligned with the progress of socio-economic, urban, tourism, and industrial zone development projects in the city.

- Attract domestic and foreign capital to invest in upgrading and expanding the water supply system.

- Apply scientific, technological, and IT advancements to improve management efficiency, innovate service methods, and provide the best services to customers, implementing the strategy of “Valuing Customers” for sustainable survival and development.

4.3. Sustainable Development Goals (Environment, Society, and Community) and Related Short- and Medium-Term Programs:

- Build the brand and promote the Company to gain customer trust and preference for products, whether tap water, bottled water, or services in water supply and drainage system consulting and construction.

- Conduct production and business activities in an environmentally friendly manner, ensuring safe and sufficient water supply for customers.

5. Risks

5.1. Economic Risks:

The stability and development of the domestic and global economy are crucial for the Company’s production and business activities. In 2024, macroeconomic fluctuations significantly impacted the Company’s operations. The Secured Overnight Financing Rate (SOFR), used to determine interest rates for ADB project loans, remained high. The USD/VND exchange rate also fluctuated continuously, affecting loan principal and interest repayments and the Company’s financial costs due to the revaluation of foreign currency loans.

5.2. Legal Risks:

The Company’s operations are governed by various legal frameworks, including the Enterprise Law, Environmental Protection Law, Water Resources Law, Securities Law, and Capital Management and Utilization Law. Vietnam’s legal system and sub-law documents are still being refined, and policy changes may occur, impacting the Company’s business activities to varying degrees. Additionally, the issuance of decrees without specific guiding circulars poses challenges for implementation.

However, these changes also bring positive outcomes, creating a stricter and more scientific legal framework aligned with international standards, facilitating foreign investment attraction and smoother domestic business operations.

5.3. Specific Risks:

5.3.1. Risks from Natural Water Sources:

- The raw water used for clean water production is sourced from the Re, Da Do, and Luoc rivers, downstream of the Thai Binh and Red rivers. These sources depend on upstream conditions and the regulation of upstream hydroelectric dams, making them relatively unstable. Changes in raw water quality and flow significantly affect water treatment processes.

- Rapid industrial and agricultural development increases the risk of water source pollution. Agricultural activities using fertilizers and pesticides pose contamination risks. Recent erratic weather patterns, prolonged dry seasons, and saline intrusion have reduced water reserves, quality, and availability in Haiphong, impacting the Company's clean water production and supply and the city's water security. For instance, water supply issues have occurred in Cat Ba Island. To mitigate these risks, the Company has implemented water quality management measures:

- Regularly monitor raw water quality analysis to detect changes and promptly propose solutions, determining appropriate chemical types and quantities for production.

- Continuously monitor water quality on the distribution network, addressing contamination cases promptly.

- Construct brackish and saline water treatment clusters to produce fresh water for island district needs.

- Enhance technology application in network water quality control, installing additional water quality monitoring devices on the network and at pumping stations and treatment plants.

5.3.2. Water Loss Risks:

The current non-revenue water rate of the water supply system is <11.8%. Water leaks are categorized into visible leaks (water surfacing on the ground) and invisible leaks (water flowing underground or into drainage systems).

Visible leaks are repaired within the day, while invisible leaks require planned detection and repair. Invisible leaks persist longer and account for a significant

portion of total water loss. Without systematic detection and repair, these leaks can cause larger incidents, increasing water loss.

The Company is applying advanced techniques to manage the water supply system and reduce water loss, including Geographic Information Systems (GIS), SCADA, and telemetry systems to support network management, analysis, and evaluation.

5.4. Other Risks:

The division of state management authority for urban and rural water supply creates conflicts and challenges in water supply development investment. Currently, rural water service quality requirements are comparable to urban areas, especially under the state's new rural development policy. Many rural residents have requested the Company's water supply services. Over the years, the City Party Committee, People's Council, and People's Committee have directed the Company to increase investment in water supply for urban areas, industrial zones, and especially rural areas. However, under current laws, each service area is assigned to only one water supplier, and other suppliers have contracts or agreements with commune and town People's Committees. This creates significant difficulties for the Company in expanding rural water supply services as assigned by the city due to conflicts with other suppliers' service areas.

II. OPERATIONAL PERFORMANCE IN 2024

1. Production and Business Performance:

No.	Target	Unit	Planning in 2024	Performance in 2024	Comparison (%)
(1)	(2)	(3)	(4)	(5)	(5)/(4)
1	Produced water	Mil m ³	92.3	94.4	102.2%
2	Consumed water	Mil m ³	84.3	85.0	100.8%
3	Total Revenue and Other Income	Bil VND	1,161.3	1,213.6	104.5%
	<i>Of which: Revenue of Clean Water P&B</i>	<i>Bil VND</i>	<i>1,109.9</i>	<i>1,150.9</i>	<i>103.7%</i>
4	Profit before tax	Bil VND	114.5	118.5	103.5%
5	Profit after tax	Bil VND	93.5	96.7	103.4%
6	Dividend on Charter Capital Ratio (expected)	%	≥ 9.0% (minimum is 9.0%)	9.0%	100.0%

*** Evaluation:**

Despite numerous challenges in 2024, such as climate change, rising sea levels causing deeper saline intrusion into river systems; prolonged saline intrusion degrading source water quality; and the unprecedented Typhoon No. 3 (Yagi) causing severe damage to daily life, production, and business activities in the city... the Company, under the close and timely direction of the Board of Directors across all areas—production, consumption, and investment... had made significant efforts to overcome difficulties. The Company ensured safe water supply throughout the city, improved business efficiency, and achieved the planned targets. In 2024, the Company received numerous awards from the central government and the city, notably the Bach Long Vy water supply station, recognized as one of 25 outstanding examples nationwide for studying and following President Ho Chi Minh's ideology, morality, and style. On November 15, 2024, at the “Ho Chi Minh – Journey of Aspiration 2024” program themed “Innovation and Development,” the Company's Party Committee was honored by Comrade To Lam - General Secretary of the Central Committee of the Communist Party as an “*Outstanding Example Nationwide for Studying and Following Ho Chi Minh's Ideology, Morality, and Style in 2024.*”

In 2024, water production reached 94.4 million m³, up 2.2%; water consumption reached 85 million m³, up 0.8%; total revenue and other income reached VND 1,213.6 billion, up approximately 4.5% (of which clean water production revenue was VND 1,150.9 billion, up 3.7%); profit before tax reached VND 118.5 billion, up 3.5% compared to the plan. The income and living conditions of employees were maintained stably and continuously improved.

2. Organization and Personnel

2.1. List of personel in Board of Directors and Management Board

2.1.1. Mr. Tran Viet Cuong - Chairman of the BOD, Legal Representative

- Full Name : Tran Viet Cuong
- Gender : Male
- DOB : September 11, 1974
- Nationality : Vietnam
- Ethnicity : Kinh
- CIC : 031074007175 – Issued on: May 23, 2019 – Issued by: Police Department for Administrative Management of Social Order
- Hometown : Kim Thai, Vu Ban, Nam Dinh

- Current Residence: No. 1/78 Tran Nguyen Han, Le Chan District, Haiphong City.

- Education Level: 12/12

- Professional Qualifications: Master of Business Administration, Marine Electrical Engineer, Bachelor of English, Civil Engineer.

- Shareholding Ratio: 29,843,080 shares (40.1%), including:

+ Individual ownership: 100,000 shares.

+ Representative ownership: 29,743,080 shares.

2.1.2. Mr. Tran Van Duong - Vice Chairman of the BOD, General Director

- Full Name : Tran Van Duong

- Gender : Male

- DOB : March 7, 1970

- Nationality : Vietnam

- Ethnicity : Kinh

- CIC : 031070004759 – Issued on: January 18, 2018 – Issued by:

Police Department for Administrative Management of Social Order

- Hometown : Da Phuc, Duong Kinh, Haiphong

- Current Residence: No. 6/183 Da Nang Street, Ngo Quyen District, Haiphong City

- Education Level: 12/12

- Professional Qualifications: Master of Business Administration, Water Supply and Drainage Engineer.

- Shareholding Ratio: 15,192,379 shares (20.47%), including:

+ Individual ownership: 165,000 shares

+ Representative ownership: 15,027,379 shares

2.1.3. Mr. Dang Huu Dung - Member of the BOD

- Full Name : Dang Huu Dung

- Gender : Male

- DOB : March 4, 1962

- Nationality : Vietnam

- Ethnicity : Kinh

- CIC : 031062016815 – Issued on: May 5, 2021 – Issued by: Police

Department for Administrative Management of Social Order

- Hometown : Thanh Loi, Vu Ban, Nam Dinh

- Current Residence: Lot 26A, Cluster 30, Vinh Niem Ward, Le Chan District, Haiphong City.
- Education Level: 10/10
- Professional Qualifications: Master of Business Administration, Water Supply and Drainage Engineer.
- Shareholding Ratio: 86,400 shares (0.12%)

2.1.4. Mr. Cao Van Quy - Member of the BOD, Executive Deputy General Director

- Full Name : Cao Van Quy
- Gender : Male
- DOB : September 10, 1973
- Nationality : Vietnam
- Ethnicity : Kinh
- CIC : 031073005575 – Issued on: April 13, 2018 – Issued by: Police Department for Administrative Management of Social Order
- Hometown : Thuy Nguyen, Haiphong
- Current Residence: Village 2, Tan Duong, Thuy Nguyen, Haiphong
- Education Level: 12/12
- Professional Qualifications: Master of Water and Wastewater Technology, Water Supply and Drainage Civil Engineer.
- Shareholding Ratio: 3,860,466 shares (5.2%), including:
 - + Individual ownership: 150,000 shares
 - + Representative ownership: 3,710,466 shares

2.1.5. Mr. Trinh Anh Tuan - Member of the BOD, Deputy General Director

- Full Name : Trinh Anh Tuan
- Gender : Male
- DOB : October 3, 1971
- Nationality : Vietnam
- Ethnicity : Kinh
- CIC : 031071005071 – Issued on: January 12, 2018 – Issued by: Police Department for Administrative Management of Social Order
- Hometown : Nhân Mỹ, Lý Nhân, Hà Nam
- Current Residence: No. 10/5 Phu Dong, Hong Bang District, Haiphong
- Education Level: 12/12

- Professional Qualifications: Water Environment Civil Engineer – Water Supply and Drainage, Civil and Industrial Construction Engineer

- Shareholding Ratio: 35,000 shares (0.05%)

2.1.6. Mr. Nguyen Danh Quan - Deputy General Director

- Full Name : Nguyen Danh Quan

- Gender : Male

- DOB : May 19, 1981

- Nationality : Vietnam

- Ethnicity : Kinh

- CIC : 031081001822 – Issued on: July 16, 2015 – Issued by: Police

Department for Administrative Management of Social Order

- Hometown : Ngu Phuc, Kien Thuy, Haiphong

- Current Residence: No. 33 Tho Xuan, Nui Doi Town, Kien Thuy District, Haiphong City

- Education Level: 12/12

- Professional Qualifications: Master of Business Administration, Water Environment Civil Engineer – Water Supply and Drainage

- Shareholding Ratio: 43,500 shares (0.06%)

2.1.7. Mr. Nguyen Dang Ninh - Chief Accountant

- Full Name : Nguyen Dang Ninh

- Gender : Male

- DOB : October 29, 1976

- Nationality : Vietnam

- Ethnicity : Kinh

- CIC : 031076001176 – Issued on: May 15, 2015 – Issued by: Police

Department for Administrative Management of Social Order

- Hometown : Kim Anh, Kim Thanh, Hai Duong Province

- Current Residence: Lot 2, Quan Nam Residential Area, Kenh Duong Ward, Le Chan District, Haiphong City

- Education Level: 12/12

- Professional Qualifications: Master of Business Administration, Bachelor of Accounting, Bachelor of English

- Shareholding Ratio: 7,661,451 shares (10.3%), including:

+ Individual ownership: 55,000 shares

+ Representative ownership: 7,606,451 shares

(Information updated as of December 31, 2024)

2.2. Number of Employees

As of December 31, 2024, the total workforce of the Company was 972 employees

In which: + Male employees: 529

 + Female employees: 443

The Company fully complies with state policies and internal regulations regarding employees. Policies on salaries, bonuses, rewards, discipline, labor regulations, leave, holidays, insurance, illness, maternity, labor protection, occupational safety and hygiene, recruitment, training, meal allowances, excursions, welfare funds, mutual aid funds, healthcare, and material and spiritual well-being... are fully implemented, ensuring employees' peace of mind, loyalty, and high responsibility and efficiency in their work.

3. Investment and Project Implementation Status

3.1. Major Investments

In line with Decision No. 323/QĐ-TTg by the Prime Minister approving the adjustment of Haiphong City's Master Plan to 2040 with a vision to 2050, prioritizing infrastructure development to attract investors, and to improve the safe water supply network, the Company implemented several projects in 2024 to build, upgrade, and expand water treatment plants, booster pumping stations, and water supply pipelines. These included: Completion of a 2,000KVA transformer station to increase the capacity of Cau Nguyet Water Treatment Plant to 100,000 m³/day; completion of D800 pipelines along Route 353 (from Hoa Binh Canal to the Hanoi-Haiphong Expressway interchange) and D300 pipelines along inter-ward roads in Hai An District; ongoing projects such as D500 pipelines along Bui Vien - Thien Loi (from Vo Nguyen Giap Street to Cau Rao Booster Station), D1000 raw water pipelines along Ton Duc Thang Street (from Co Dien Intersection to An Duong Bridge), and D1000 raw water pipelines drilled under the Tam Bac River to upgrade the raw water transmission system and ensure safe water supply to the An Duong Water Treatment Plant...

Following the city People's Committee's policy on rural clean water supply and consumption and solutions for rural water supply in 2023-2025, the Company completed the water supply system for Dong Phuong Commune, Kien Thuy District (2,000 households) in 2024 and is implementing projects such as the water supply system for An Tho Commune, An Lao District (1,800 households), D400 main pipelines for water supply in the western area of Tien Lang District, and the water supply system for Vinh An Commune, Vinh Bao District...

3.2. Subsidiaries and Associated Companies

Performance and Financial Report of Haiphong Number Two Water Business Joint Stock Company as follows:

Unit: VND

No.	Indicator	At 31/12/2024
1	Total Assets	138,425,989,139
1.1	Short-Term Assets	75,876,376,672
1.2	Long-Term Assets	62,549,612,467
2	Total Capital	138,425,989,139
2.1	Liabilities	20,051,267,435
2.2	Owner's Equity	118,374,721,704
3	Revenue and Other Income	126,889,519,707
4	Profit Before Tax	29,519,954,446

4. Financial Status

4.1. Financial Performance

Unit: VND

Indicator	FY 2024	FY 2023	Change in % 2024/2023
Total Asset Value	1,959,239,876,255	1,984,069,499,305	(1.25)
Net Revenue	1,166,568,582,156	1,029,240,378,374	13.34
Profit from P&B Activities	117,402,964,987	109,029,500,147	7.68
Other Profit	1,083,024,130	431,929,205	150.74
Profit before tax	118,485,989,117	109,461,429,352	8.24
Profit after tax	96,719,472,248	89,361,795,005	8.23
Dividend Ratio	9.0%	8.5%	5.88

(Source: Indicators extracted from the audited 2024 separate financial statements of Haiphong Water Joint Stock Company)

4.2. Key Financial Indicators

Indicator	FY 2024	FY 2023	Note
1.Liquidity Ratios			
+ Short-Term Liquidity Ratio			

Indicator	FY 2024	FY 2023	Note
Short-Term Assets/Short-Term Liabilities	3.33	2.92	
+ Quick Liquidity Ratio			
(Short-Term Assets – Inventory)/Short-Term Liabilities	3.01	2.60	
2. Capital Structure Ratios			
+ Debt-to-Total Assets Ratio	0.49	0.51	
+ Debt-to-Equity Ratio	0.98	1.02	
3. Operational Efficiency Ratios			
+ Inventory Turnover			
Cost of Goods Sold/Average Inventory	13.35	12.42	
+ Total Asset Turnover			
Net Revenue/Total Assets	0.60	0.52	
4. Profitability Ratios			
+ Profit after tax/Net Revenue	0.08	0.09	
+ Profit after tax/Equity	0.10	0.09	
+ Profit after tax/Total Assets	0.05	0.05	
+ Operating Profit/Net Revenue	0.10	0.11	

(Source: Indicators extracted from the audited 2024 separate financial statements of Haiphong Water Joint Stock Company)

5. Shareholder Structure and Changes in Owner's Invested Capital

5.1. Shares:

- Share Name: Shares of Haiphong Water Joint Stock Company
- Stock Code: HPW
- Share Type: Common shares
- Par Value: VND 10,000
- Total Registered Shares: 74,206,940 shares
- Total Registered Share Value: VND 742,069,400,000

5.2. Shareholder Structure:

Unit: VND

Category	Number of shares	Value at Par	Ratio (%)
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1. State Shareholders (HPPC)	59,797,840	597,978,400,000	80.58
2. External Shareholders	14,409,100	144,091,000,000	19.42
Total	74,206,940	742,069,400,000	100

5.3. Changes in Owner's Invested Capital: None

5.4. Treasury Share Transactions: None

5.5. Other Securities: None

6. Report on Environmental and Social Impacts

6.1. Raw Material Management

Total raw materials used for clean water production in 2024:

No.	Indicator	Quantity (kg)
1	Chlorine (Cl ₂)	379,043.00
2	Liquid PAC	119,207.00
3	Powder PAC	1,108,981.00
4	Single Alum	2,064.00
5	Cationic Polymer	2,950.00
6	Lime	470,666.40
7	Calcium Hydroxide Ca(OH) ₂	50.00
8	Potassium Permanganate KMnO ₄	31,751.00
9	Oxalic Acid (C ₂ H ₂ O ₄)	3,754.00
10	Anti-Scaling Agent	1,325.00
11	Sodium Metabisulfite	600.00
12	Powder Activated Carbon	750.00
13	Calcium Hypochlorite Ca(ClO) ₂ (Chlorine Powder)	189.00

6.2. Energy Consumption

Total electricity consumption for clean water production in 2024:

No.	Description	Electricity Consumption (kW)
1	An Duong Area	16,114,393
2	Cau Nguyet Area	3,846,436

No.	Description	Electricity Consumption (kW)
3	Haiphong 3 Area	1,360,313
4	Hung Dao Area	2,703,899
5	Cat Ba Area	1,827,642
6	Vinh Bao Area	1,188,313
7	Ngu Lao WTP Area	859,677
8	Bach Long Vy Area	16,466
	Total	27,917,139

6.3. Water Consumption :

Water sources and water usage for clean water production in 2024:

No.	Water Production Unit	Water Source	Output (m ³)
1	An Duong Production Subsidiary	Re River	51,991,334
2	Haiphong 3 Branch	Re River	5,981,969
3	Haiphong 4 Branch	Da Do River	16,471,024
4	Haiphong 8 Branch	Da Do River	11,158,746
5	Vinh Bao Water Supply Branch	Chanh Duong River	3,769,236
6	Ngu Lao WTP	Gia River	3,205,977
7	Cat Ba Water Supply Branch	Surface, underground, sea water	1,959,969
8	Bạch Long Vỹ	Surface Water	35,890
	Total		94,574,145

6.4. Compliance with Environmental Protection Laws

a) Number of fines for non-compliance with environmental laws and regulations: None.

b) Total fines for non-compliance with environmental laws and regulations: None.

6.5. Policies Related to Employees

a) *Number of Employees and Average Salary:*

- As of December 31, 2024, total workforce: 972 employees

In which: + Male employees: 529

+ Female employees: 443

- Average salary: VND 9.7 million/month.

b) Labor Policies to Ensure Employee Health, Safety, and Welfare:

Employee health, safety, and welfare policies are outlined in the Company's labor regulations, salary and bonus policies, meal allowances, and collective labor agreements. Specifically:

Ensure 100% of employees have stable jobs and income, with an average salary of VND 9.7 million/person/month in 2024. Policies such as social insurance, health insurance, unemployment insurance, night shift and hazardous work allowances, periodic health check-ups, and specialized check-ups for female employees twice a year... are implemented in compliance with state regulations; provide a safe and hygienic working environment.

In addition to salaries and state-mandated benefits, employees receive allowances and gifts on holidays such as March 8, October 20, April 30, September 2, Lunar New Year, Gregorian New Year, quarterly bonuses, 13th-month salary, 24/7 personal insurance, six-month salary support and gifts for retirees, and support for employees with prolonged illnesses... all detailed in the collective labor agreement.

The Company prioritizes employees' material and spiritual well-being. The Party Committee supports mass organizations such as the Labor Union, Youth Union, Women's Union, and Veterans' Association to encourage employees to fulfill professional duties while protecting their legitimate rights, ensuring occupational safety and hygiene, and providing labor protection equipment. Blood pressure monitors are available for employees to check their health, and outdoor sports equipment is installed at units and branches to promote physical exercise and health.

c) Employee Training Activities:

The Company focuses on building a team of managers and technical staff with political integrity and expertise, capable of operating advanced technology, skilled workers, and a sales team with excellent customer service skills.

In 2024, the Company effectively organized and implemented training, capacity-building, and employee evaluations, enhancing specialized training for employees at water treatment plants. Over 550 employees in consumption and plant operations received in-depth training. Regular courses on occupational safety and hygiene, fire prevention, chemical safety, and water loss control were held, along with other practical and highly applicable professional training programs.

6.6. Report on Responsibility to the Local Community

In 2024, the Company actively participated in charitable activities, supporting city-led community initiatives, including youth volunteer campaigns, providing purified water for national high school exams, giving gifts to disadvantaged students... and contributing to funds for the poor, disaster relief, and mass organizations...

III. REPORT AND EVALUATION OF THE MANAGEMENT BOARD

1. Evaluation of Production and Business Performance

1.1. Production and Business Results

Unit: VNĐ

Indicator	FY 2024	FY 2023
1. Revenue from P&B activities	1,166,568,582,156	1,029,240,378,374
2. Revenue deductions		
3. Net revenue from P&B activities	1,166,568,582,156	1,029,240,378,374
4. Cost of goods sold	745,856,535,993	636,927,820,878
5. Gross profit from P&B activities	420,712,046,163	392,312,557,496
6. Financial activities revenue	31,090,254,857	33,068,669,780
7. Financial expenses	96,596,429,791	87,225,970,272
- Of which: Interest expenses	57,466,701,350	60,775,543,195
8. Selling Expenses	140,072,503,703	138,444,214,735
9. General and Administrative Expenses	97,730,402,539	90,681,542,122
10. Net Profit from P&B activities	117,402,964,987	109,029,500,147
11. Other incomes	15,954,521,043	12,035,914,037
12. Other expenses	14,871,496,913	11,603,984,832
13. Other profit	1,083,024,130	431,929,205
14. Total profit before tax	118,485,989,117	109,461,429,352
15. Current corporate income tax expense	21,766,516,869	20,099,634,347
17. Net profit after tax	96,719,472,248	89,361,795,005

(Source: Indicators extracted from the audited 2024 separate financial statements of Haiphong Water Joint Stock Company)

Despite challenges, particularly with source water quality and volatile foreign exchange rates, the Company, with the support of the City Party Committee,

People's Committee, and relevant authorities, the timely direction of the Board of Directors, and the efforts of all employees, maintained stable production and business operations. The Company provided sufficient water meeting the local technical standard QCĐP 02:2023/TPHP, with increasingly diverse and convenient services.

1.2. Production and Water Quality

- Stable water production ensured sufficient supply for customer needs. Production reached 94.4 million m³, achieving 102.2% of the plan and a 4.5% increase compared to 2023.

- The pipeline network operation process and pressure were improved to supply water with a pressure of over 2.0 bar (20m water column) at customer meters. Over 90% of areas achieved pressures above 2.0 bar, with remaining areas above 1.5 bar, and some central areas reaching 3.0 bar.

- In 2024, 100% of water samples met the local technical standard for clean water for domestic use in Haiphong City (QCĐP 02:2023/TPHP): average post-treatment turbidity was 0.14 NTU (standard ≤ 2 NTU); average residual chlorine was 0.84 mg/L; all samples were free of Coliform bacteria.

- Water quality was inspected and monitored by the Haiphong Center for Disease Control (CDC), the Institute of Occupational Health and Environment – Ministry of Health, and the Company's Quality Control Department – VILAS 449 (a laboratory accredited to ISO/IEC 17025:2017).

- The Company complied with water quality monitoring and reporting regulations per Circular No. 41/2018/TT-BYT issued by the Ministry of Health on December 14, 2018. Water quality results were periodically reported to city authorities and published on the Company's website.

- The Company was recognized for compliance with regulations, with all samples collected by inspection teams meeting requirements.

- Regular maintenance and repair of machinery and equipment were conducted according to plans, ensuring safe operations without incidents. All safety inspections and certifications were fully implemented, ensuring effective fire prevention and occupational safety, with no labor accidents recorded.

- In 2024, pollutant levels in source water increased and fluctuated unpredictably. At times, organic substances (permanganate index, BOD, COD), ammonia, manganese, nitrite, dissolved oxygen (DO), and bacteria (Coliform, heat-resistant Coliform) exceeded the limits of the National Technical Regulation on Surface Water Quality (QCVN 08:2023/BTNMT) and were higher than



previous years. During the rainy and storm season, irrigation companies discharged river water, causing significant fluctuations in raw water quality, with pollution levels several times higher than standards, complicating treatment processes. Production units increased chemical usage to address rising pollutant levels, ensuring compliance with water quality standards. River and canal systems supplying raw water faced saline intrusion, leading some plants to temporarily halt or reduce production capacity. At times, salinity in the Bach Da Canal (Vinh Bao Water Treatment Plant No. 2) was 2.2 times the QCVN 08:2023/BTNMT limit, forcing the plant to suspend operations.

- In 2024, the Company installed additional online conductivity meters at intake points, river systems, and downstream areas. Online monitoring devices (conductivity, residual chlorine, turbidity, etc.) proved effective in closely controlling water quality. Parameters such as post-sedimentation and post-filtration turbidity, treated water quality, residual chlorine at plants and booster stations, and conductivity at intake gates enabled reasonable water regulation, ensuring safe supply. Automated water quality management software with Zalo alerts facilitated timely issue detection and resolution. Plants proactively analyzed key water quality parameters, enhanced process-specific quality control, and adjusted chemical dosages promptly during quality fluctuations, ensuring rational, economical, and effective chemical use. Daily collaboration with production units and irrigation companies monitored river systems, conducted water quality assessments, and identified pollution violations to mitigate risks.

- In early September 2024, Typhoon No. 3 (Yagi) hit Northern Vietnam, with Haiphong City in its direct path. The strongest storm in 30 years in the East Sea, it rapidly intensified to super typhoon status. The historic storm, combined with post-storm flooding from upstream dam discharges and heavy rainfall, caused severe damage to the city's activities and residents' lives. The water supply network at critical points, water treatment facilities, and pumping stations were damaged, SCADA systems lost connectivity, and widespread power outages halted all plants and stations, disrupting water supply services. Telecommunication failures further complicated coordination and recovery efforts. However, with the close and timely direction of the leadership and the collective efforts of employees, the Company focused on damage recovery and rapid restoration of water supply. By 12:00 on September 11, 2024, Haiphong Water Joint Stock Company achieved stable 24/7 water supply for all customers citywide, meeting both flow and pressure

requirements as before the storm, earning recognition from residents and city authorities.

1.3. Business, Consumption, and Finance

- Continued construction of transmission and distribution pipelines to expand customer bases, supplying water to industrial zones, new urban areas, and rural regions. In 2024, the Company added 11,895 new customers, achieving 199.1% of the 2023 figure. Water consumption reached 85.0 million m³, up 2.8% from 2023.

- Implemented new water tariffs as per the city People's Committee's decision. Regular inspections ensured timely and accurate tariff application based on customer types and usage purposes, securing planned revenue. The average water price in 2024 met the target. Water revenue reached VND 1,150.9 billion, achieving 113.7% of 2023 and a 3.7% increase over the 2024 plan.

- Production of HaiPhong Water bottled and bulk purified water grew steadily, gaining competitiveness. The "*HaiPhong Water*" brand increasingly earned trust from residents, organizations, and businesses, with 2024 revenue exceeding VND 10.5 billion.

- Enhanced IT and advanced technology applications, including digital transformation in management, production, and customer service, improved efficiency and service quality. Continued improvements in smart meter reading via smartphones for all customers, combined with diverse payment methods, brought convenience and positive feedback. By 2024, 100% of customers paid water bills electronically, eliminating cash transactions.

- Maintained effective operation of the Customer Care Call Center at 02253.51.58.58, the Company's Fanpage, and Zalo OA, providing convenient and rapid channels for information dissemination and customer feedback, addressing inquiries and issues. Approximately 90% (320,000 customers) registered for the Company's Zalo OA. In 2024, the Company handled over 72,000 customer inquiries via the Call Center and Zalo OA.

- Improved service delivery processes, including meter installation, relocation, electronic contracts, and online requests for customer information updates, reducing processing times and customer travel, aiming for the highest level of online public service delivery.

- Strengthened network and system management to control water loss through synchronized solutions, including infrastructure upgrades, technology applications, and enhanced management. The 2024 non-revenue water ratio met the planned target, improving business efficiency and conserving water resources.

2. Financial Status

2.1. Financial Management

- In 2024, macroeconomic fluctuations (interest rates, exchange rates) significantly impacted operations. However, the leadership's efforts in financial management balanced revenues and expenditures, ensured timely principal and interest repayments for projects, and covered operational costs, maintaining stable and effective production and business activities. Assets and capital were managed per regulations, preserving and developing capital. Total revenue and other income reached VND 1,213.6 billion, up 4.5%; profit before tax reached VND 118.5 billion, up approximately 3.5% from the plan.

- Prepared and disclosed Financial Statements as required.
- Fulfilled state budget obligations.
- Effectively managed and preserved capital at Haiphong Number Two Water Business Joint Stock Company.

2.2. Asset Status

Tangible fixed asset data for the period:

Unit: VND

No.	Asset Type	Original Cost	Accumulated Depreciation	Remaining Value
1	2	3	4	5
1	Buildings and Structures	1,148,920,340,509	657,527,427,450	491,392,913,059
2	Machinery and Equipment	318,283,071,541	216,510,734,564	101,772,336,977
3	Transportation and Transmission Vehicles	2,068,505,114,392	1,376,183,709,696	692,321,404,696
4	Management Equipment and Tools	10,497,922,316	8,523,419,221	1,974,503,095
5	Other Assets	11,052,144,993	10,384,436,650	667,708,343
	Total	3,557,258,593,751	2,269,129,727,581	1,288,128,866,170

The Company's financial status showed positive developments. Assets and capital were utilized effectively, with no bad receivables affecting business performance.

2.3. Liabilities

- Current liabilities, change in liabilities:

As of December 31, 2024, total liabilities were VND 967,289,686,765, including:

+ Short-term liabilities: VND 179,453,600,090

+ Long-term liabilities: VND 787,836,086,673

- Bad debts: None

- Fluctuations in interest rates and loan interest significantly impacted operations during the period.

3. Improvements in Organizational Structure, Policies, and Management

3.1. Application of Modern IT in Production and Management

- In 2024, the Company accelerated digital transformation across all sectors, setting goals, strategies, and implementation roadmaps for production, consumption, operations, and management:

- Enhanced SCADA data utilization to detect leaks and reduce water loss. In 2024, SCADA issued over 2,200 consumption increase alerts and identified more than 2,900 leak points.

- Effectively utilized GIS software with comprehensive pipeline, service, maintenance, and customer data, enabling rapid and accurate tasks such as system design, customer expansion, pipe repair, and leak detection.

- Developed and tested an online water pressure map to provide customers with real-time information. Smart meters were piloted with positive initial results, planned for trial implementation with large customers in 2025, marking a significant step in digital transformation.

- Social media, online platforms, and the website enhanced customer experience and service quality. From July 2024, automated responses were implemented on Zalo OA for basic inquiries about water bills, online payments, and local water management contacts. Customers could report issues like water outages, quality problems, or leaks, with notifications sent directly to relevant departments. Online services were accessible via Zalo OA, linked to the Company's website at <https://capnuochaiphong.com.vn/>.

- From November 2024, electronic contracts were introduced, and six services—new meter installation, meter relocation, contract entity changes, customer information updates, meter size changes, and contract reissuance—were fully online via the Company's website.

- Through employee productivity and creativity campaigns, dozens of new initiatives and solutions were successfully applied, improving productivity, reducing labor, and generating economic benefits.

3.2. International Cooperation

In 2024, the Company strengthened international cooperation, achieving significant results:

- Collaborated with Hanoi University of Civil Engineering and Osaka University, Japan, on the SATREPS Technical Assistance Project “Developing a Water Supply System Adaptive to Polluted Water Sources,” funded by JICA and JST, to develop cost-effective advanced water treatment technologies for pollutants.

- In May 2024, Haiphong Water Supply and Kitakyushu Waterworks Bureau signed a comprehensive cooperation agreement for a new phase, enhancing the efficiency of the U-BCF biological contact filter technology in Haiphong, promoting its nationwide application, and researching new technologies to address declining freshwater quality and reserves.

- In November 2024, a comprehensive cooperation agreement was signed with the Water Supply and Drainage Department and the Institute of Environmental Science and Technology at Hanoi University of Civil Engineering, committing to mutual support in training, scholarships, high-quality human resources, knowledge updates, research, and technology transfer to address new challenges.

- Actively participated in the Haiphong Federation of Friendship Organizations, Vietnam-Finland Association, and Vietnam-Japan Association in Haiphong to enhance economic and technological cooperation, contributing to the city’s socio-economic development.

- Maintained international cooperation and shared effective management and production solutions for safe water supply through the Vietnam Water Supply and Sewerage Association at in-person and online workshops. As an active member, the Company participated in the “Vietnam Water Week 2024” forum with managers, businesses, and experts. In 2024, the Company was one of six outstanding water suppliers nationwide awarded the “Vietnam Blue Water Flow” title by the Vietnam Water Supply and Sewerage Association.

4. Future Development Plan

4.1. Water Production and Quality

- Projected water production: 95.6 million m³, fully and promptly meeting customer demands. Projected consumption: 89.3 million m³.

- Strengthen protection of water sources and facilities. Enhance efforts to ensure water source safety and address raw water pollution.

- Implement safe water supply plans, ensuring quality per QCĐP 02:2023/TPHP. Maintain end-of-line main pipeline pressure at $\geq 20\text{m}$ water column (≥ 2.0 bar), aiming for $\geq 20\text{m}$ at customer meters.

- Maintain stable production to meet demands, particularly for industrial growth and rural areas with water supply challenges. Explore new solutions and technologies to address increasingly complex source water quality fluctuations.
- Invest in upgrading and repairing water treatment plants and pumping stations.

4.2. Business, Consumption, and Finance

- Projected 2025 customer growth: approximately 11,284, raising the total to 376,577 customers.
- Target clean water production revenue: VND 1,248.5 billion. Bottled water revenue: approximately VND 11.5 billion.
- Ensure non-revenue water ratio $\leq 13\%$.
- Target profit before tax: VND 125.7 billion.
- Enhance service quality with rapid and compliant meter installation, repair, and relocation processes. Address customer complaints promptly and reasonably.
- Repay principal and interest on loans fully and on time. Use investment capital efficiently with reasonable returns. Preserve and develop equity, ensure employee incomes, and fulfill state budget obligations.
- Effectively manage and develop capital at Haiphong Number Two Water Business Joint Stock Company.
- Coordinate with authorities on land clearance for urban redevelopment and city development projects.

4.3. Other Areas

- Continue researching and applying technology, automation, and scientific advancements in management and operations for higher efficiency.
- Strengthen water source and facility protection, ensuring source safety and addressing raw water pollution.
- Accelerate automation and advanced control of pumping stations, with Company engineers designing, programming, and implementing systems.
- Improve service quality, maintaining and enhancing meter installation, relocation, resizing, and post-meter repair services as per agreements. Advance digital transformation in meter reading with smart meter upgrades.
- Use investment capital efficiently, implementing planned projects to expand service areas, install transmission pipelines with fire hydrants, and other city-required projects. Coordinate with authorities on land clearance for city projects.

- Achieve high efficiency in planning, organization, and financial management, ensuring timely loan repayments. Maintain or exceed 2024 profit levels. Monitor and control daily revenue and expenses by area.

- Ensure job security, stable incomes, and improved employee living conditions. Use welfare and reward funds per legal and internal regulations to motivate employees.

- Streamline the organizational structure and personnel, adhering to legal and internal recruitment and training regulations. Reform employee salary structures.

- Maintain and develop international cooperation.

- Strengthen water source and facility protection.

- Organize study tours, professional training, and capacity-building programs for employees.

- Actively participate in social activities and support mass organizations.

5. Management Board's Explanation of Audit Opinions (if any): None

6. Evaluation on Environmental and Social Responsibility

6.1. Environmental Indicators

- Actively use energy-efficient equipment and solutions, recycling water in treatment processes to minimize environmental emissions.

- The water treatment system operates continuously (24/24) with strict daily parameter control, meeting environmental requirements while increasing green spaces for a clean, safe production environment.

6.2. Evaluation on Employee Issues

Despite a large workforce dispersed across units inside and outside the city, the Company consistently collaborates with the Trade Union and other organizations to enhance employees' cultural and spiritual well-being:

The Company's Party Committee supports mass organizations (Labor Union, Youth Union, Women's Union, Veterans' Association) to encourage professional duty fulfillment, protect employee rights, ensure occupational safety, and provide labor protection equipment. In 2024, the Company's Party Committee received the title "Outstanding Enterprise for Studying and Following Ho Chi Minh's Ideology, Morality, and Style in Building Corporate Culture" and a Certificate of Merit from the City People's Committee for the "Skillful Mass Mobilization" movement. The Company's Party Secretary and Chairman of the BOD was honored as an "Outstanding Cultural Entrepreneur in the Integration Era."

The Labor Union organizes cultural and sports events, including holiday gatherings, summer activities, and tournaments (football, badminton, table tennis),

earning the Outstanding Comprehensive Achievement Flag from the Vietnam General Confederation of Labor in 2024.

The Youth Union leads with enthusiasm, aligning activities with production and business, leveraging youth energy in applying solutions and initiatives, and participating in volunteer activities. In 2024, the Youth Union received a Certificate of Merit from the Central Committee of the Ho Chi Minh Communist Youth Union for youth movement contributions.

6.3. Corporate Responsibility to the Local Community

In 2024, the Company actively participated in charitable activities, supporting city initiatives, including donations for the poor, disaster relief, and mass organizations.

Upholding the “Uncle Ho’s Soldiers” tradition, the Veterans’ Association fulfilled assigned tasks, educated younger generations on revolutionary traditions, and promoted unity and productivity. In 2024, the Association organized tributes for wounded soldiers, martyrs’ families, and former soldiers on holidays like War Invalids and Martyrs’ Day (July 27) and Vietnam People’s Army Day (December 22), contributing to building charity houses for disadvantaged veterans. The Association received a Certificate of Merit from the City Veterans’ Association for outstanding achievements in the “Exemplary Veterans” movement for period 2019-2024.

IV. BOD’S EVALUATION OF COMPANY OPERATIONS

1. Board of Directors’S Evaluation of Company Operations

In 2024, despite unpredictable global economic and political fluctuations and severe natural disasters causing significant damage, Haiphong City’s socio-economic situation remained stable and developed, thanks to the decisive and timely leadership of city authorities, the involvement of the political system, residents, and businesses. The city’s GRDP growth rate reached 11.01%, ranking third nationwide, marking the 10th consecutive year of double-digit growth. The economic scale expanded, placing Haiphong among the top five provinces and cities with the largest economies for the first time. Many socio-economic targets were achieved ahead of schedule, exceeding plans, and residents’ material and spiritual well-being continued to improve...

Alongside the city’s development, Haiphong Water Joint Stock Company maintained stable production, enhanced service quality, ensured water quality, advanced IT and digital transformation in operations, automated processes, improved productivity, and invested in expanding the water supply system to meet

city development and new rural development programs. The Company ensured employee jobs and incomes, preserved and developed equity, achieved annual targets, and contributed significantly to the city's socio-economic development.

2. Board of Directors's Evaluation of Management Board Operations

BOD members regularly inspected production and business operations in assigned areas, actively monitored, and directed the General Director and Management Board to effectively fulfill assigned tasks by:

- Monitoring annual target completion.
- Requiring the General Director and Management Board to report business results and operations at quarterly Board meetings, issuing directives to enhance efficiency.
- Collaborating with the Supervisory Board to understand operations, providing practical recommendations to help the General Director and Management Board complete tasks assigned by the General Meeting of Shareholders and the BOD.
- Actively participating in Management Board briefings and other meetings to closely follow business activities.
- The Management Board members were united and effectively fulfilled their responsibilities in assigned areas.

The BOD highly appreciates the General Director and Management Board's efforts to achieve targets while strictly complying with legal and Company regulations.

3. Board of Directors's Plans and Orientations

In 2025, the BOD will continue working with the Management Board and employees to enhance operational efficiency and achieve planned targets:

- Ensure safe water supply, striving to reduce non-revenue water.
- Improve water supply service quality to meet growing customer demands, matching leading water companies in Vietnam and Asia.
- Enhance IT, digital transformation, and automation in system management and operations.
- Expand the water supply system to meet city development and new rural development program needs.
- Ensure financial safety and payment balance.
- Achieve planned operational targets.
- Focus on human resource development.

- Prioritize employee rights and continuously improve their living conditions.

V. CORPORATE GOVERNANCE

1. Board of Directors

1.1. Members and Structure of the BOD

The Board of Directors of Haiphong Water Joint Stock Company consists of 5 members:

No.	Name	Voting Share Ratio	Position	Management Roles at the other companies
1.	Tran Viet Cuong	40.1%	Chairman of BOD	None
2.	Tran Van Duong	20.47%	Vice Chairman of BOD, General Director	None
3.	Cao Van Quy	5.2%	Member of BOD – Executive DGD	Chairman of Haiphong Number Two Water Business JSC
4.	Trinh Anh Tuan	0.05%	Member of BOD – DGD	None
5.	Dang Huu Dung	0.12%	Member of BOD	None

1.2. Subcommittees under the BOD: None

1.3. BOD Activities

In 2024, the Board and its members actively operated per regulations, providing timely direction and oversight of the Management Board to achieve strategic goals and production and business plans, ensuring effective 2024 operations and capital preservation and development. The Board held 27 regular meetings and thematic meetings to decide on matters within its authority, achieving high consensus, with the following contents:

No.	Meeting Content	Attendance Ratio
1.	Meeting on liquidation and sale of 6 depreciated vehicles.	5/5
2.	Q4/2023 regular meeting of BOD	5/5
3.	Meeting on funding for D300 pipeline construction from Hai An inter-ward road to Ring Road 2	5/5
4.	Meeting on preparations for the 2024 Annual General Meeting of Shareholders	5/5
5.	Meeting on signing a water supply service contract with Haiphong Number Two Water Business Joint Stock Company	5/5
6.	Meeting on constructing, upgrading, and renovating Cau Rao booster pumping station	5/5

No.	Meeting Content	Attendance Ratio
7.	Meeting to approve documents for the 2024 Annual General Meeting of Shareholders.	5/5
8.	Meeting on funding for a 2,000kVA transformer station at Cau Nguyet Water Treatment Plant	5/5
9.	Meeting on opinions for the representative to vote at the 2024 Annual General Meeting of Haiphong Number Two Water Business Joint Stock Company.	5/5
10.	Q1/2024 regular meeting of BOD	5/5
11.	Meeting on water supply for Vinh An Commune, Vinh Bao District	5/5
12.	Meeting on approving the selection of a consultant for the 2024 financial statement review and audit	5/5
13.	Meeting on selecting a consultant for the 2024 financial statement review and audit	5/5
14.	Meeting on adjusting the base salary, meter reader salaries, and maintenance and operation department salaries from July 1, 2024	5/5
15.	Q2/2024 regular meeting of BOD	5/5
16.	Meeting on water supply for Dong Phuong Commune, Kien Thuy District	5/5
17.	Meeting on constructing a 3,500m ³ reservoir at Dong Hai booster pumping station	5/5
18.	Meeting on signing an amendment to the sub-loan contract for the Vietnam Water Sector Development Program – Project 2	5/5
19.	Meeting on adjusting the D1000 pipeline construction project on Ton Duc Thang Street (from Co Dien Intersection to An Duong Bridge)	5/5
20.	Meeting on funding for water supply pipeline construction in western Tien Lang area	5/5
21.	Meeting on liquidation and sale of used, damaged materials and assets	5/5
22.	Meeting on nominating and reappointing management positions at Haiphong Number Two Water Business Joint Stock Company	5/5
23.	Q3/2024 regular meeting of BOD	5/5
24.	Meeting on approving the internal audit plan and selecting a consultant for 2024 internal audit	5/5
25.	Meeting on approving the internal audit entity and consultant for 2024	5/5
26.	Meeting on signing an asset mortgage contract amendment for the Project for Upgrading and Rehabilitating Water Supply System in Haiphong City – Phase 2	5/5
27.	Meeting on constructing a D400 water pipeline on Provincial Road 351 from Long Thanh Intersection to Re Bridge	5/5

Meetings followed procedures per the Enterprise Law, Company Charter, and relevant regulations. Resolutions and decisions were passed with 100% consensus, directing the Management Board to implement necessary tasks to achieve plans, ensuring effective operations and benefits for the Company and shareholders.

1.4. Board Members with Corporate Governance Training Certificates:

- Mr. Tran Viet Cuong
- Mr. Tran Van Duong
- Mr. Dang Huu Dung
- Mr. Cao Van Quy
- Mr. Trinh Anh Tuan

2. Supervisory Board:

2.1. Members and Structure of Supervisory Board

No.	Name	Voting Share Ratio	Position	Management Roles at the other companies
1.	Le Thi Huong	5.02%	Head of SB	None
2.	Do Thi Thanh Diep	0	Member of SB	None
3.	Nguyen Minh Hoang	0	Member of SB	None

2.2. Supervisory Board Activities

The Supervisory Board, with 3 members, fulfilled its duties in 2024 per regulations. Members regularly communicated via phone and other means to share information and documents, holding 5 meetings to implement and review tasks.

The Board monitored the implementation of Annual General Meeting resolutions, Board resolutions and decisions, and oversaw the Board of Directors and Management Board's execution of production and business plans, specifically:

- Reviewed Board resolutions and decisions for compliance with the Company Charter, internal regulations, Annual General Meeting resolutions, and related regulations.
- Approved Board and Management Board production and business reports, ensuring compliance with strategic goals, the Company Charter, internal regulations, and Annual General Meeting resolutions in management and operations.

Collaborated with an independent auditor to review and audit the 6-month and full-year 2024 financial statements, ensuring the accuracy and reasonableness of financial data per accounting standards and regulations.

Fully participated in Supervisory Board meetings, quarterly Board meetings,

and other relevant meetings.

Performed other tasks per its functions and duties.

3. Transactions, Remuneration, and Benefits of the Board of Directors, Management Board, and Supervisory Board

3.1. Salaries, Remuneration, and Other Benefits

- Salaries, bonuses, and other benefits for the Board of Directors, Supervisory Board, General Director, and other managers were implemented per the Company's salary, bonus, financial, and internal regulations and state laws.

- Board and Supervisory Board remuneration followed Annual General Meeting resolutions, the Company Charter, and applicable state regulations.

(For details, please refer in the audited 2024 financial statements)

3.2. Insider Share Transactions

No.	Transactor	Insider Relationship	Shares Owned at Period Start		Shares Owned at Period End		Reason for Change (Buy, Sell, Transfer, Bonus...)
			Number of shares	Ratio	Number of shares	Ratio	
1	Nguyen Dang Ninh	Chief Accountant	100,000 shares	0.13%	55,000 shares	0.07%	Sell

(Information updated as of December 31, 2024)

3.3. Contracts or Transactions with Insiders

N o.	Name of organization/individual	Relationship with the company	Number, date of issue, place of issue of Identity document	Head office address/ Contact address	Time of transaction with the company	Content, quantity, total transaction value	Note
1	Haiphong Number 2 Water Joint Stock Company	Subsidiary	Business registration No. 0200933035 issued by the Haiphong Department of Planning and Investment, first registered on June 5, 2009, 12th amendment on October 18, 2023	Do Nha village, Tan Tien commune, An Duong district, Haiphong	2024	Clean water purchase and water quality testing service, total transaction value is VND 2,330,588,717 including VAT). In which: - Parent company sells clean water, provides water quality testing services to subsidiary: VND 1,723,277,210 (including VAT); - Parent company buys clean water from subsidiary: VND 607.311.507 (including VAT)	- Haiphong Water Joint Stock Company (Parent company) - Haiphong Number 2 Water Joint Stock Company (Subsidiary)

3.4. Evaluation of Corporate Governance Compliance

In 2024, the Board of Directors diligently directed and supervised operations per the development orientation and production and business plans set by the Annual General Meeting. The Company and Board complied with corporate governance regulations and applicable laws, achieving effective operations and preserving and developing equity.

VI. FINANCIAL STATEMENTS

1. Auditor Opinion

The financial statements fairly and accurately reflect, in all material respects, the financial position of Haiphong Water Joint Stock Company as of December 31, 2024, as well as its business performance and cash flow for the fiscal year ending on that date, in compliance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations on financial statement preparation and presentation.

2. Audited Financial Statements

- The audited 2024 financial statements include the Balance Sheet, Income Statement, Cash Flow Statement, and Notes to the Financial Statements, per legal requirements.

- The full audited 2024 financial statements are available at: capnuochaiphong.com.vn.

CHAIRMAN OF THE BOARD OF DIRECTORS



Tran Viet Cuong

