

**ANNUAL REPORT
OF PHU YEN WATER SUPPLY AND SEWERAGE JOINT STOCK
COMPANY 2025**

(According to Circular No. 96/2020/TT-BTC dated 16) January 1, 2020 , Ministry of Finance's guidance on information disclosure in the securities market .

I. General Information:

1. General information:

- Company Name: Phu Yen Water Supply and Sewerage Joint Stock Company.
- Business registration certificate: Registration number 4400115690, initially registered on March 15, 2006 by the Department of Planning and Investment of Phu Yen province, and amended for the 11th time on July 23, 2025 by the Enterprise Management Division of the Department of Finance of Dak Lak province.
- Registered capital: 383,635,790,000 VND (In words: Three hundred eighty-three billion six hundred thirty-five million seven hundred ninety thousand Vietnamese Dong).
- Owner's investment capital: 383,635,790,000 VND (In words: Three hundred eighty-three billion six hundred thirty-five million seven hundred ninety thousand Vietnamese Dong).
- Headquarters: No. 05 Hai Duong Street, Tuy Hoa Ward, Dak Lak Province.
- Phone: (0257) 3823 557
- Fax: (0257) 3828 388
- government: capthoatnuocpy.com.vn
- Stock ticker symbol: PWS
- Formation and development process :

The predecessor of Phu Yen Water Supply and Sewerage Joint Stock Company was the Phu Yen Provincial Water Plant Project Management Board, and it has gone through many stages of development :

+ *Period 9/1996 – 8/2000:*

Established on September 28, 1996, based on the reorganization of the Phu Yen Provincial Water Plant Management Board, under the name Phu Yen Water

Supply Company, it operates as a public service company according to Decision No. 1443/QD-UB of the Provincial People's Committee, managing and operating the Tuy Hoa town water plant with a capacity of 5,000 m³ / day.

+ *Period 9/2000 – 11/2005:*

On August 14, 2000, the company was renamed Phu Yen Water Supply and Sewerage Company according to Decision No. 2025/QD-UB of the Provincial People's Committee, with the additional function and task of managing, exploiting, maintaining, and repairing the Sewerage system of Tuy Hoa town (now Tuy Hoa city).

+ *Period from December 2005 to present:*

From December 22, 2005, the company was renamed Phu Yen Water Supply and Sewerage Company Limited, operating under the Enterprise Law according to Decision No. 2878/QD-UBND of the Provincial People's Committee.

On November 10, 2015, it was transformed into Phu Yen Water Supply and Sewerage Joint Stock Company according to business registration certificate No. 4400115690 issued by the Department of Planning and Investment of Phu Yen province.

2. Business sector and geographical area:

2.1. Main business activities: Water extraction, treatment, and supply;

2.2. Business Area:

The business area of Phu Yen Water Supply and Sewerage Joint Stock Company is as follows:

- The Tuy Hoa water plant supplies water to the following areas: Tuy Hoa ward; Binh Kien ward; Phu Yen ward; part of Dong Hoa ward; Hoa Hiep ward; O Loan commune (formerly An Hoa Hai commune); Tuy An Nam commune (formerly An Chan and An My communes); Phu Hoa 1 commune (formerly Hoa An commune and Hoa An Small-Scale Industrial Zone).

- The Song Cau water plant supplies water to the following areas : Xuan Dai ward; Song Cau ward; Xuan Tho commune (formerly Xuan Tho 1 commune);

- The Dong Bac Song Cau water plant supplies water to the following areas: Xuan Loc commune; Xuan Canh commune (supplying Binh Thanh Nam hamlet, formerly Xuan Binh commune, sold through a main meter) and the Dong Bac Song Cau industrial zone;

- The Tuy An water plant supplies water to the following areas: Tuy An Bac, Tuy An Dong, and part of O Loan commune (Chi Thanh town area, Tuy An district; communes: An Dan, An Thach, An Ninh Tay, An Ninh Dong, An Cu, and the former An Dinh communes) .

- The Dong Xuan water plant supplies water to the following areas: Dong Xuan commune (formerly La Hai town, Xuan Long commune and Xuan Son Bac commune) and part of Xuan Phuoc commune (formerly Xuan Quang 3 commune) ;

- The Hai Rieng water plant supplies water to Song Hinh commune (Hai Rieng town and neighboring communes: the former Ea Bia and Ea Trol communes) .
- The Cung Son water plant supplies water to Son Hoa commune (Cung Son town; former Suoi Bac commune; Son Ha commune, sold through a main meter) .
- The Phu Hoa water plant supplies water to the following areas: Phu Hoa 1 commune (formerly Phu Hoa town); Tay Hoa commune; Phu Hoa 2 commune (supplying to Hoa Quang Nam and Hoa Quang Bac villages, sold through a main meter);
- the Vung Ro village and Vung Ro port areas in Hoa Xuan commune .

3. Information on the governance model, business organization, and management structure:

3.1. Governance Model:

- General Shareholders' Meeting;
- Board of Directors;
- Supervisory Board;
- General Director.

3.2. Organizational structure of the management system:

- *Board of Directors:*
- + General Director.
- + Permanent Deputy General Director.
- + Deputy General Director in charge of business.
- + Deputy General Director in charge of production.
- *The functional departments and branches include:*
- + Administrative and General Affairs Department.
- + Planning and Technical Department.
- + Finance and Accounting Department.
- + Legal Department.
- + Department of Investment and Construction Management;
- + Water Supply Branch No. 1.
- + Water Supply Branch No. 2.
- + Water Supply Branch No. 3.
- + Construction and Installation Services Branch.

3.3. Subsidiaries and affiliated companies : None.

4. Development orientation:

4.1. Main objectives:

- To meet the water needs of customers within the company's service area, ensuring sufficient flow rate, pressure, and water quality; to improve service quality and customer care; and to strive to gradually reduce the rate of water loss and revenue loss according to the annual schedule.
- Ensure operations are conducted in accordance with the Company Charter

and that investments are made specifically in the field of urban water supply.

- Investment and development must ensure that the socio-economic development requirements of the locality are met; and that the social welfare objectives of the state are achieved.

- Investment orientation towards sustainable development.
- Key indicators: Sales volume, revenue, stable and sustainable growth;
- Workers have stable jobs, and average per capita income is steadily improving.

4.2. Medium and long-term development strategy (2021-2025):

- Increase the capacity of water treatment plants to ensure sufficient clean water production to meet the socio-economic development needs of the eastern part of Dak Lak province (formerly Phu Yen province) in accordance with the approved Phu Yen Provincial Water Supply Plan.

- The goal is to increase commercial water production by an average of $\geq 3-5\%$ per year.
- The quality of the water supply meets the prescribed standards.
- The water supply service is stable and continuous 24 hours a day; water pressure throughout the network meets the prescribed standards, with pressure at the most unfavorable point reaching 10m of water column.

- Ensure operations are conducted in accordance with the Company Charter, invest intensively in urban water supply and Sewerage, and research and consider expanding business activities to include more suitable options and increase the number of products serving society.

- Investment orientation towards sustainable development.
- Key indicators: Stable and sustainable growth in sales volume and revenue.
- The lives of workers are improving, with average per capita income above the average compared to other businesses operating in the province.

- Applying advancements in science, technology, and information technology to improve the quality of management and operations, innovating service methods to provide customers with the best possible services, and implementing a "customer-oriented" strategy are essential for sustainable survival and development.

- Focus on investing in, innovating, and applying advanced science and technology to production and business activities .

4.3. Sustainable development goals (environment, social, and community) and key short-term and medium-term programs of the Company:

- Gradually shift the water source from groundwater to surface water in areas suitable for surface water extraction, adapting it to the technology of each plant to ensure sustainability and reduce costs; gradually move towards using natural energy sources (solar energy); and focus on environmental protection in water extraction and

wastewater treatment at the plants.

- Meeting the community's domestic water needs contributes to improving public health and reducing diseases caused by using contaminated water sources.
- Our business practices are environmentally friendly. We always ensure a safe and sufficient water supply for our customers, especially in light of climate change.
- Strictly comply with all legal regulations regarding the exploitation and distribution of clean water; fulfill all tax obligations to the State.
- Sustainable development ensures a harmonious balance of interests among the company, its employees, and its shareholders.

5. Risks:

- Climate change is becoming increasingly complex, with widespread and prolonged droughts causing a shortage of raw water for production, reducing the supply to customers. The increasing salinity intrusion could directly affect the wellhead area of the Song Cau Water Treatment Plant and the Hoa An water intake structure of the Tuy Hoa Water Treatment Plant.
- Areas far from the city center, outside urban areas, have uneven population distribution and low population density, leading to low investment efficiency. Some areas have invested in water supply networks, but due to residents' habits and preference for using drilled or dug wells, their use of the water supplied by the company is limited, resulting in low investment efficiency in some areas.
- Some pipelines, in operation for over 20 years, frequently leak, increasing repair costs and causing significant losses.
- Urban beautification and the expansion and upgrading of urban roads have not been carried out synchronously, lacking close coordination between investors and technical infrastructure management units, including water supply infrastructure. This has led to some pipelines breaking during construction or being buried deep due to raising the road and sidewalk levels, making it difficult to control leakage and connect customers. Every year, the company has to spend a relatively large amount of its own money to relocate pipelines due to road expansion; the situation of customers illegally connecting to and using water without going through the designated system still occurs.

II. Performance in 2025 :

1. Business and production performance:

The business and production situation in 2025 is shown in the following table:

No .	Target	Unit	Plan 2025	To be implemented in 2025	Compared to the plan (%)
1	Water production output	m ³	14,702,000	14,977,402	101.9

No	Target	Unit	Plan 2025	To be implemented in 2025	Compared to the plan (%)
	(TBII)				
2	Water consumption output	m ³	12,500,000	12,603,672	100.8
3	Rate of water loss and leakage	%	15.0	15.5	0.5
4	Total revenue and income	Tr.dong	137,619	139,233	101.2
	<i>In there:</i>				
	- Water production and distribution activities	Tr.dong	130,213	130,920	100.5
	- Other business activities	Tr.dong	2,400	2,724	113.5
	- Financial activities	Tr.dong	5,000	5,181	103.6
	- Other income	Tr.dong	6	408	6800.0
5	Profit before tax	Tr.dong	25,000	26,670	106.7
6	Paying taxes to the state budget (exempt from corporate income tax)	Tr.dong	13,565	13,094	96.5
7	Dividend yield	%	4.0%	5.80%	145.0

(Water loss and revenue loss rates in 2025 do not include wastewater from sediment discharge.)

2. Organization and personnel:

2.1. List of the Executive Board:

No.	Full name	Position	Date of birth	Address	Professional qualifications	Appointment date	Shareholding ratio
1	Do Hoang Long	General Director	February 15, 1975	106 Mac Dinh Chi Street, Le Thanh Nghi Ward, Hai Duong City	Master of Infrastructure Engineering	May 12, 2025	Aqua One Company's equity stake: 29.79%
2	Nguyen Phu Lieu	Deputy General Manager	September 8, 1966	Group 13, Tran Phu Hamlet, Tuy Hoa Ward, Dak Lak Province	Civil Engineer - Water Supply and	May 12, 2025	State ownership: 10%; Individual ownership:

No.	Full name	Position	Date of birth	Address	Professional qualifications	Appointment date	Shareholding ratio
					Sewerage Engineering		0.0130%
3	Nguyen Tan Thuan	Deputy General Manager	May 28, 1967	123 Hung Vuong Street, Tuy Hoa Ward, Dak Lak Province	Civil and Industrial Construction Engineer; Master of Business Administration	May 12, 2025	State-owned capital share: 28.42% Individual: 0.1291%
4	Nguyen Khac Toan	Deputy General Manager	July 3, 1970	17A/9 Nguyen Tat Thanh Street, Tuy Hoa Ward, Dak Lak Province	Urban Engineer - Water Supply and Sewerage	May 12, 2025	0.001%
5	Nguyen Thi Xuan Tuu	Chief Accountant	August 19, 1976	KP 4, Ward 2, Tuy Hoa City, Dak Lak Province	Bachelor of Business Accounting	May 12, 2025	0.006%

2.2. Changes in the Executive Board: None

2.3. Number of officers and employees. Summary of policies and policy changes regarding employees:

The total number of employees in the Company as of December 31, 2025 is 247 people, including 5 members of the Management Board and 242 employees. The detailed employee classification is shown in the following table:

Criteria	Quantity (People)	Proportion (%)
Total	247	
1. Classification by labor skill level	247	100
- Postgraduate level	5	2.02
- University level	92	37.25

Criteria	Quantity (People)	Proportion (%)
- College level	21	8.50
- Intermediate level	33	13.36
- Vocational certificate	75	30,36
- Unskilled labor	21	8.51
2. Classification by type of employment contract	242	100
- Indefinite-term employment contract	200	83.33
- Employment contracts have a term of 1-3 years.	40	16.67
- Seasonal employment contracts, probationary periods		
3. By gender	247	100
- Male	183	74.09
- Female	64	25.91

The company has fully and promptly implemented all legal and legitimate policies and regulations for its employees, such as: salary, bonuses, social insurance, health insurance, unemployment insurance, personal accident insurance, meal allowances, uniforms, personal protective equipment, company trips, regular health check-ups, sick leave support, and many other activities to care for their material and spiritual well-being.

Policies regarding female employees are a priority for the company.

Workplace safety: Workers are provided with personal protective equipment appropriate to their job to minimize contact between their bodies and hazardous agents during work.

3. Investment situation and project implementation status:

3.1. Regarding the implementation of capital construction investment projects :

Table: Summary of results achieved in 2025

No.	Funding	Capital plan (million VND)	To be implemented in 2025	
			Results achieved (million VND)	Completion rate compared to plan (%)
1	The project is a transitional phase from 2024.	94,450	59,630	63.13%
But	Shareholder fundraising	40.100	40.100	100%

No.	Funding	Capital plan (million VND)	To be implemented in 2025	
			Results achieved (million VND)	Completion rate compared to plan (%)
But	Business capital	14,350	0	0%
But	Loan capital	40,000	19,530	48.83
2	New investment projects in 2025	19,700	4,014	20.37%
But	Shareholder fundraising	0	0	0%
But	Business capital	19,700	4,014	20.37%
But	Loan capital	0	0	0%
3	Supplementary Project 2025	11,638	3,255	27.97%
	Total	125,788	66,899	53.18%

In 2025, the Company completed and put into operation the following projects: Upgrading and expanding the Song Cau Water Treatment Plant from 5,000 m³ / day to 8,000 m³ /day; Renovating and repairing the pipeline east of Le Duan extended road (from An Duong Tau Submarine to Chinh Nghia 2 residential area) and the pipeline east of Hung Vuong road (from N7A to Vo Tru road), Tuy Hoa city; Renovating, repairing and replacing the distribution and service pipelines of the Song Cau Water Treatment Plant; Purchasing a spare motor for a Grundfos 2-intake centrifugal pump with Q = 1,250 m³/h, H = 47m, P = 250 kW; Renovating the fence of the primary pumping station and the Son Hoa Wastewater Treatment Plant; Purchasing a vehicle to serve the Company's production activities; Replacing some sections of DN200 steel raw water pipes at the Phu Hoa Water Treatment Plant. Replacement of DN200 steel raw water pipeline at Cung Son Water Treatment Plant.

3.2. Progress in utilizing capital raised from the public offering of securities:

Phu Yen Water Supply and Sewerage Joint Stock Company submitted report No. 40 /BC-CTN dated March 17, 2026 to the State Securities Commission regarding the progress of using capital raised from the public offering of securities.

3.3. Subsidiaries and affiliated companies: None

4. Financial situation:

4.1. Financial situation

Unit of measurement: VND

Target	2024	2025	Increase/Decrease (±%)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4=(3-2)/2</i>
Total asset value	495,271,069,375	477,242,646,437	-3.6%
Net revenue	136,483,957,345	133,643,815,949	-2.1%
Profit from business	41,994,850,523	26,915,866,323	-35.9%

Target	2024	2025	Increase/Decrease (±%)
operations			
Other profits	(74,172,218)	(245,075,266)	230.4%
Profit before tax	41,920,678,305	26,670,791,057	-36.4%
Net profit after tax	38,799,736,240	23,813,697,686	-38.6%
Dividend payout ratio	10.0%	5.80%	-42.0%

4.2. Key financial indicators:

Target	2024	2025	Note
<i>1. Solvency ratio</i>			
+ Short-term liquidity ratio :	6.58	3.51	
Current assets/Current liabilities			
+ Quick Ratio :	6.26	3.23	
Current assets - Inventory			
Short-term debt			
<i>2. Capital structure indicators</i>			
+ Debt/Total Assets Ratio	0.10	0.10	
+ Debt/Equity Ratio	0.11	0.11	
<i>3. Performance indicators</i>			
+ Inventory turnover	11.94	10.93	
Cost of goods sold/Average inventory			
Net revenue/Total assets	0.28	0.28	
<i>4. Profitability Indicators</i>			
+ Net Profit Margin / Net Revenue Ratio	0.28	0.28	
Net Profit/ Equity Ratio	0.088	0.089	VCSH bq
+ Net Profit/ Total Assets Ratio	0.077	0.080	TTS bq
+ Operating Profit Margin/Net Revenue Ratio	0.31	0.31	

5. Shareholder structure, changes in owner's equity investment:

5.1. Shares:

– Total number of shares: 38,363,579 shares (par value 10,000 VND/share), including:

- + Freely transferable shares: 38,363,579 shares
- + Restricted transferable shares: 0 shares
- Type of stock: Common stock.

5.2. Shareholder structure :

Table 1: Major shareholders (holding more than 5% of the share capital) and minor shareholders

No .	Shareholder Name	ID Card/Business Registration Certificate	Address	Number of shares owned	% of the total
1	Aqua One Water Joint Stock Company	Registration number 0313062501 was first issued by the Department of Planning and Investment of Ho Chi Minh City on December 23, 2014, and the 16th amendment was registered on October 2, 2025.	72/38 Ngo Tat To Street, Thanh My Tay Ward, Ho Chi Minh City, Vietnam	22,879,025	59.64
2	People's Committee of Phu Yen Province (now the People's Committee of Dak Lak Province)	VSDPWSLĐ01 issued on April 30, 1975	No. 07 Doc Lap Street, Ward 7, Tuy Hoa City, Phu Yen Province (now No. 09 Le Duan Street, Buon Ma Thuot Ward, Dak Lak Province)	14,740,600	38.42
3	Remaining shareholders			743,954	1.94
4	Treasury stock			0	0
Total				38,363,579	100

Table 2: Domestic and foreign shareholders

No.	Full name	Number of shareholders	Number of shares	Percentage of actually contributed charter capital
1	Domestic shareholders	212	38,350,279	99.96

No.	Full name	Number of shareholders	Number of shares	Percentage of actually contributed charter capital
But	Organization	2	37,619,625	98.06
But	Individual	210	730,654	1.9
2	Foreign shareholders	5	13,300	0.04
But	Organization	0	0	0
But	Individual	5	13,300	0.04
3	Treasury stock	But	But	But
Total		217	38,363,579	100

5.3. Changes in owner's investment capital : No change

5.4. Treasury stock transactions: No trading in 2025.

5.5. Other securities: Not to be issued in 2025 .

6. Report on the environmental and social impacts of the Company:

6.1. Raw Material Management:

a) The total amount of raw materials used to produce and package the organization's main products and services during the year:

– The total amount of raw materials used in 2025 for production mainly consisted of water treatment chemicals such as: Chlorine 31.1 tons; PAC 128.7 tons; Caustic soda (NaOH) 6.7 tons.

– Materials used for packaging: None.

b) Report the percentage of recycled materials used in the production of the organization's core products and services: None

6.2. Energy consumption:

a) Direct and indirect energy consumption:

Total electricity consumption was approximately 4.93 million kW .

b) Energy saved through energy efficiency initiatives: No.

c) Reports on energy saving initiatives (providing energy-saving products and services or using renewable energy); reports on the results of these initiatives: No.

6.3. Water consumption (water consumption level of business activities during the year):

a) Water supply and water usage:

Water source: Provided by the company.

Water consumption is approximately 3,069 m³ / year .

b) Percentage and total amount of water recycled and reused: None

6.4. Compliance with environmental protection laws:

a) *Number of times penalized for violations due to non-compliance with environmental laws and regulations:* Are not .

b) *Total amount of fines for violations due to non-compliance with environmental laws and regulations :* None .

6.5. Policies related to employees:

a) *Number of workers, average wage for workers:*

– Total number of employees as of December 31, 2025 : 242 people (excluding the Company's Management Board) .

– Income average Workers in 2025 : 9,700,000 VND / person/month.

b) *Labor policies aimed at ensuring the health, safety, and welfare of workers:* Providing uniforms and personal protective equipment (5,000,000 VND/person); purchasing personal accident insurance ; conducting periodic health check-ups and occupational disease screenings for workers ...

c) *Employee training activities:*

The company prioritizes internal training to enhance the professional skills of its employees; sending employees to exchange experiences and learn from other water supply companies, and participating in online professional development courses.

6.6. Reporting on responsibility towards the local community:

Actively participating in and contributing to social and charitable funds launched by various levels. In 2025 , the total amount of money contributed by cadres, Party members, employees, and the Company was 1,995 million VND (*One billion, nine hundred and ninety-five million dong*) . Of which:

– In partnership with the Dak Lak Provincial Women's Union: The company will sponsor 5 orphaned children in the eastern part of Dak Lak province (*Tuy Hoa ward, Hoa Hiep ward, Phu Hoa 2 commune, Duc Binh commune and Xuan Phuoc commune*) in 2025 (30 million VND).

– In collaboration with the Vietnam Fatherland Front Committee of Dak Lak province:

+ Donate to the "For the Poor" Fund in 2025 (20 million VND).

+ Contribution to support people affected by storms and floods (40 million VND).

– In collaboration with the Department of Internal Affairs of Dak Lak province: Donating 10 million VND to the "Gratitude and Repayment" Fund in 2025.

– In collaboration with the Provincial Labor Union:

+ Support for union members, workers, and fishermen in difficult circumstances at the "Tet Reunion - Spring Sharing" program in 2025 organized by the Provincial Labor Union (5 million VND).

- + Participated in 4/3 of the assigned targets for voluntary blood donation organized by the Provincial Labor Union.

- Contribution to the Dak Lak Provincial Disaster Prevention Fund (120 million VND).

- In addition, the company also supports many social and charitable activities in the province, such as:

- + Participate in social charity work in 2025 (56.5 million VND).

- + Provided support to 7 families of company employees facing difficult circumstances during the first 6 months of 2025 (96.8 million VND).

- + Support for employees of the Company to overcome damage caused by floods in 2025 (1,617 million VND).

6.7. Reports related to green capital market activities as guided by the State Securities Commission: None

III. Report and Evaluation by the Board of Directors

1. Evaluating the results of production and business operations:

a) Evaluating performance results:

- The main production and business targets according to the plan were basically completed, revenue and profit achieved good results, exceeding the assigned targets; and all tax payment obligations were fulfilled.

- Total revenue and income for the year exceeded the planned targets, with revenue from water supply business accounting for the majority of total revenue (94.0 %); financial revenue reached 103.6 % of the plan.

- The supply and distribution of clean water to meet the consumption and production needs of the people and customers in the service area is always ensured, with stable water quality , meeting the demand for clean water and contributing to social welfare in the area.

- Management, renovation, and development of the network, as well as reduction of water loss , have always been a priority for investment and are implemented regularly, contributing to increasingly efficient business operations.

- The capacity of the management staff is constantly improving, closely adhering to and ensuring the fulfillment of assigned tasks.

- The company consistently fulfills its tax obligations to the State; employee benefits and policies are ensured and improved, and the living standards of employees have significantly improved.

b) Progress the Company has made:

- Applying many advanced technologies in water supply system management such as SCADA, using variable frequency drives to automatically control pressure and flow rate of secondary pumping stations according to customer water demand instead of manual control; continuously monitoring and measuring several important

indicators 24/7 using automatic measuring equipment.

- The water supply coverage is expanding, with the percentage of urban population supplied with clean water increasing year after year; the pressure and flow rate supplied to customers are maintained stably and meet their water needs; and the quality of clean water delivered to consumers is always controlled according to the standards of the Ministry of Health.

- Customer care is increasingly emphasized, promptly responding to customer requests regarding installation or advice on water usage after the meter; arranging on-call staff and ensuring timely receipt of all information and feedback from customers. This has continuously improved customer satisfaction with the company.

- Improve the quality of customer service; utilize multiple electronic payment channels to facilitate water bill payments for customers; develop specific customer-oriented action programs to best address customer needs.

- Regulations and management rules are constantly being improved and amended to suit specific situations.

2. Financial situation:

a) Asset situation:

Asset management situation: The company maintains detailed records tracking the changes in various types of assets in accordance with the regulations of Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance: "Guidelines on the Accounting System for Enterprises". The total value of assets at the end of 2025 was VND 477,242 million.

b) Accounts payable situation:

Debt management at the company: The company maintains detailed records of accounts receivable and payable for each party, and periodically reconciles accounts payable; the company does not have any overdue accounts payable.

- Current ratio (Current assets / Current liabilities): 3.51

- Ratio : ((Current Assets - Inventory)/Current Liabilities): 3.23

- to -Total Assets Ratio: 0.10

- - to-equity ratio: 0.11

The company uses capital efficiently, capital is preserved, and it ensures the ability to repay debts (short-term solvency ratio: 3.51 times; quick solvency ratio: 3.23 times).

3. Improvements in organizational structure, policies, and management:

- SCADA software is used to operate the water treatment plants in Tuy Hoa and Tuy An; variable frequency drives (VFDs) are used to control pumps at all water treatment plants belonging to the company.

- The company utilizes various information technology features in its management and service provision for customers through its website, including

information on water bill inquiries, water bill payment, bank transfer information, and the process and progress of customer file processing.

- Diversifying water bill payment options through banking systems, e-wallets, etc., currently 100% of customers pay their water bills cashless, ensuring the company's water bill collection and payment management is increasingly secure. Implementing software to record customer water meter readings via mobile phones at all water supply branches.

- Step-by-step development and training of a management and customer care team will serve as the foundation for managing water supply zones, thereby effectively reducing water loss and providing better customer service.

- Enhance the role and responsibility of managers and employees in participating in combating water loss, aiming to reduce the company's overall water loss rate by 1% annually.

4. Development plan for 2026 :

4.1. Business Production Plan:

Based on Decision No. 02 / 2026/ QD- HDQT dated January 20 , 2026 , of the Board of Directors of Phu Yen Water Supply and Sewerage Joint Stock Company on the Approval of the Production and Business Plan and Investment and Development Plan for 2026 , specifically as follows:

- Total revenue : 144,506 million VND;
- Profit before tax : VND 17,500 million;
- Contributions to the state budget (taxes and fees) : 13,195 million VND;
- Dividend yield : 4.0 %.

4.2. Investment and Development Plan:

Total planned capital investment for construction in 2026: 389,800 million VND. Details are as follows:

No .	Project name	Construction site	Total	Shareholder fundraising	Business capital	Loan capital
I	The project will continue from 2025.		374,700	50,000	4,700	320,000
1	The project involves upgrading the water treatment plant in the Northeast of Song Cau River from 900 m ³ / day to 10,000 m ³ / day (Investment phasing: phase up to 2025: 5,000 m ³ / day; phase up to 2030:	Song Cau town (now: Xuan Canh commune and Xuan Loc commune)	20,000		0	20,000

No .	Project name	Construction site	Total	Shareholder fundraising	Business capital	Loan capital
	10,000 m ³ / day).					
2	Renovation, repair, and replacement of distribution and service pipelines at Water Supply Branch No. 2.	Song Cau Ward; Xuan Dai Ward, Tuy An Bac Commune	1,000	0	1,000	0
3	Investing in the development of a water supply pipeline network for Dan Phu 1 Hamlet, Xuan Phuong Commune, Song Cau Town.	Song Cau Ward	1,000	0	1,000	0
4	Upgrading and expanding the water supply system for Tuy Hoa city and surrounding areas.	Son Thanh commune, Tay Hoa commune, Phu Hoa 1 commune, Tuy Hoa ward	350,000	50,000		300,000
5	Expanding the water supply pipeline network in Xuan Canh commune and surrounding areas.	Xuan Canh commune	800		800	
6	Invest in a system for monitoring and supervising water resource exploitation and water quality in accordance with the Law on Water Resources.	Factories under the Company	1,900		1,900	
II	Investment project in 2026		15,100	0	15,100	0
1	Renovation and replacement of the pipeline at Tuy Hoa Water Treatment Plant.	Tuy Hoa Ward, Phu Yen Ward	500		500	
2	Developing the water supply pipeline network at Tuy Hoa Water Treatment Plant.	Wards: Dong Hoa, Phu Yen, Binh Kien, Dak Lak Province	5,000		5,000	

No .	Project name	Construction site	Total	Shareholder fundraising	Business capital	Loan capital
3	Renovation and replacement of the pipeline at Tuy An Water Treatment Plant.	Tuy An Bac commune	500		500	
4	Developing the water supply pipeline network at Water Supply Branch No. 2	O Loan commune, Tuy An Dong commune, Dak Lak province	1,100		1,100	
5	Renovation and replacement of the pipeline for the Song Cau water treatment plant.	NMN Song Cau	250		250	
6	Renovation and replacement of pipelines in the Dong Xuan water treatment plant area.	Dong Xuan commune	900		900	
7	Upgrading the HDPE D40 and D63 pipelines along both sides of the road to Suoi Bac and Da Bac hamlets, Son Hoa commune.	Son Hoa commune	650		650	
8	Purchasing crane trucks to support the company's production operations.	Tuy Hoa Ward	1,200		1,200	
9	Upgrading the water supply pipeline for the Hoa Tam Industrial Park Infrastructure Construction and Business Investment Project - Phase 1 (Area A)	Hoa Hiep Ward	5,000		5,000	
TOTAL: I + II			389,800	50,000	19,800	320,000

4.3. Measures for organizing and implementing the plan:

a) Production and business activities:

– Develop and thoroughly implement a safe water supply plan at the plants,

focusing on drought and saltwater intrusion prevention to maintain water source stability; maintain water quality control according to current regulations and standards; maintain and repair machinery, equipment and other infrastructure to ensure the entire system operates stably and safely;

- Strengthen pipeline network management solutions (zoning, network separation, establishing DMAs, Blocks, installing specialized equipment, etc.) and optimize operations to reduce water loss, striving to reduce the annual loss rate by 1%; develop reasonable operating scenarios to save energy for the plants. Comply with environmental protection regulations.

- Promote the application of science and technology in production, especially in system operation, reduce manpower, and gradually move towards automation; control the quality of input water and improve the quality of output water.

- Promote the development of other business sectors such as construction, design consulting , and other advantageous business sectors.

b) Investment for development:

- Focus on implementing new construction or renovation projects, and upgrading the capacity of water treatment plants as planned, in order to proactively ensure production capacity to meet the demand for clean water to serve the socio-economic development of the province and in line with the objectives of each region. Simultaneously, gradually implement projects to develop the pipeline network in line with the local development pace. Develop a roadmap for project implementation that meets the clean water needs for socio-economic development.

- Organize and divide the water supply network into zones to regulate flow and adjust pressure for each area in a rational and efficient manner, thereby controlling water loss. Invest in developing and expanding the water supply network in areas with high water demand.

c) Business management:

- The company's Board of Directors, along with the leaders of the subordinate units, closely supervise the implementation plan, monitor the process and results to evaluate and provide timely guidance. Annual production and business plan targets and investment development plans are assigned to each unit and factory, enabling them to proactively manage production.

- Strengthen and seriously and effectively implement internal and external training to improve the skills of staff and workers in operating and managing the water supply system.

- Strengthening labor policies, maximizing the potential of employees, and fostering a sense of long-term commitment and dedication to the company are crucial.

- Strengthening discipline and work ethics in all production activities is crucial to ensuring efficiency and safety.

- Strengthen management at water treatment plants to ensure water quality meets current standards and regulations; ensure that the economic and technical indicators of the plants are geared towards safety, efficiency, and cost-effectiveness.

d) Financial solutions:

- Utilize annual depreciation of recoverable assets; allocate funds for investment and development from after-tax profits; reduce the dividend payout ratio to secure capital for project implementation.

- Choose a bank to borrow funds for the project as planned.

5. Explanation from the Board of Directors regarding the audit opinion:

None

6. Report assessing the Company's environmental and social responsibility:

a) Assessment related to environmental indicators: None

b) Assessment related to employee issues:

The entire workforce of the Company is always united and strives to fulfill the assigned production and business plan. The Company's staff and employees have solid professional skills; the workforce is skilled and experienced. The work ethic of the majority of staff and workers has changed positively, fostering a sense of responsibility and self-motivation in their work.

c) Assessment related to the company's responsibility to the local community:

The company has demonstrated its responsibility to the community through the following actions:

- Ensuring stable water production and supply to meet the water needs of all customer groups; the quality of clean water delivered to consumers is always controlled according to the standards of the Ministry of Health. Contributing to the successful implementation of social welfare tasks of the local government.

- Actively participate in and contribute to social and charitable funds launched by various levels of government. In 2025, the total amount contributed from the company's fund and employee contributions will reach 1,995 million VND.

IV. Board of Directors' Assessment of the Company's Performance:

1. Board of Directors' assessment of the Company's performance:

- The company's production, business, and investment activities are in line with the direction and consistent with the 10-year production, business, and investment development strategy for the period 2016-2025, which has been approved by the Provincial People's Committee.

- Regarding the management and operation of the company's production activities, they remain stable, ensuring safe, continuous, and high-quality water supply that meets national technical standards as stipulated in Circular No. 41/2018/TT-BYT.

- The activities of the Board of Directors, the Supervisory Board, and the Executive Board are maintained in accordance with the charter. The information disclosure requirements of a public company are strictly implemented.

- Financial and accounting work is carried out in accordance with legal regulations, ensuring the objectives of capital preservation and growth.

2. Board of Directors' assessment of the Company's General Management Board's performance:

- The Company's Board of Directors has carried out its management duties in accordance with its prescribed functions, responsibilities, and powers; and has coordinated closely to achieve the targets set by the Shareholders' Meeting; proactively and promptly handling issues arising in management and operation.

- Ensuring the legal rights and interests of employees and shareholders of the Company.

3. Plans and directions of the Board of Directors:

3.1. Production and Business Activities:

Direct and manage the company's production and business operations to achieve and surpass the following key targets for 2026:

- Water production volume : 15,386,000 m³ ;
- Water consumption volume : 13,156,000 m³ ;
- Water loss/recovery rate : 14.5 %;
- Total revenue : 144,506 million VND;
- Profit before tax : VND 17,500 million;
- Budget contributions (taxes and fees) : 13,195 million VND;
- Dividend yield : 4.0 %.

The company ensures the effective implementation of water supply network management and customer care solutions to continuously improve service quality; effectively manages water business indicators, contributing to increased water revenue in particular and business efficiency in general.

3.2. Investment activities:

The total investment for projects in the 2026 investment portfolio is VND 389,800 million , with priority given to the following key projects:

- The project involves upgrading the water treatment plant in the Northeast of Song Cau River from a capacity of 900 m³/day to 10,000 m³/day, with phased investment: reaching 5,000 m³/day by 2025 and 10,000 m³ /day by 2030, with a total investment of approximately 110 billion VND (20 billion VND allocated in 2026).

- The project to upgrade and expand the water supply system of Tuy Hoa city and surrounding areas has a total investment of 992 billion VND (Capital allocation in 2026: 350 billion VND, including 50 billion VND from shareholder fundraising and 300 billion VND from loans).

Furthermore, the company continues to expand its water supply network throughout the province to develop its customer base, ensure full network coverage, increase revenue, and contribute to the province's socio-economic development.

3.3. Regarding management:

- Strengthen guidance and supervision in the implementation of business operations to ensure the completion of the production and business plan set for 2026.
- Strengthening discipline and work ethics in all production activities is crucial to ensuring efficiency and safety.
- Strengthen management at water treatment plants to ensure water quality meets current standards and regulations; ensure that the economic and technical indicators of the plants are geared towards safety, efficiency, and cost-effectiveness.

3.4. Regarding personnel and labor:

- Strengthen efforts to attract, recruit, and assign personnel, ensuring a sufficient number of workers with appropriate professional qualifications, skills, and qualities; and ensure the right person is assigned to the right job to improve work efficiency.
- Promoting training, development, and human resource development; improving the professional qualifications, skills, and awareness of employees, contributing to increasing the value of human resources, enhancing the competitiveness and adaptability of the Company in a changing environment.
- Effective utilization of human resources: Properly allocating labor, assigning tasks and responsibilities to the right people; maximizing employee capabilities through appropriate incentive policies to improve work efficiency.
- Paying attention to employee welfare policies and benefits; ensuring transparency and openness in labor-related information such as salaries, wages, recruitment, training, promotion, and performance evaluation... thereby creating motivation and strengthening long-term commitment of employees to the Company.

V. Financial Statements:

1. The 2025 financial report of Phu Yen Water Supply and Sewerage Joint Stock Company was prepared in accordance with regulations.

2. The company has selected A&C Auditing and Consulting Company Limited. The Central Branch conducted an audit of the 2025 financial statements of Phu Yen Water Supply and Sewerage Joint Stock Company.

3. Opinion of the auditing firm:

The auditor's assessment of the 2025 financial statements of Phu Yen Water Supply and Sewerage Joint Stock Company is presented in Audit Report No. 3.0056 / 26 / TC-AC dated March 16 , 2026 , by A&C Auditing and Consulting Co., Ltd. The consolidated financial statements fairly and reasonably reflect, in all material respects, the financial position of Phu Yen Water Supply and Sewerage Joint Stock

Company as of December 31, 2025 , as well as the business results and cash flow for the fiscal year ending on the same date, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations concerning the preparation and presentation of consolidated financial statements.

Recipient:

- Members of the Board of Directors;
- Head of the Supervisory Board;
- Board of Directors;
- Luru VT, Information Security Team .

Dak Lak, 03 April 2026
GENERAL MANAGER

Do Hoang Long