



CÔNG TY CỔ PHẦN ĐIỆN NƯỚC LẮP MÁY HẢI PHÒNG HAIPHONG ELECTRICITY WATER MACHINE ASSEMBLY JSC

Đ/c: Số 34 đường Thiên Lôi, P. An Dương, Q. Lê Chân, TP. Hải Phòng, Việt Nam
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ANNUAL REPORT

HAIPHONG ELECTRICITY WATER MACHINE ASSEMBLY JOINT STOCK COMPANY YEAR 2024

To: - The State Securities Commission
- Hanoi Stock Exchange

I. GENERAL INFORMATION

1. Overview information

- TRADING NAME: **HAIPHONG ELECTRICITY WATER MACHINE ASSEMBLY JOINT STOCK COMPANY**
- ABBREVIATED NAME: **DNC.HP**
- CERTIFICATE OF BUSINESS REGISTRATION NO.: 0200155561 issued by the Business Registry - Hai Phong Department of Planning and Investment on 21/10/2005, 17th change registration dated 07/01/2025.
- CHARTER CAPITAL: **80.277.800.000 dong** (In words: Eighty billion, two hundred and seventy-seven million, eight hundred thousand dong)
- OWNER'S CAPITAL: **80.277.800.000 dong** (In words: Eighty billion, two hundred and seventy-seven million, eight hundred thousand dong)
- ADDRESS: No. 34 Thien Loi street, An Duong ward, Le Chan district, Hai Phong city
- PHONE: (84-0225) 3.856.209
- FAX: (84-0225) 3.785.759
- WEBSITE: www.diennuochp.com.vn
- STOCK CODE: **DNC** (Common stock)

2. Business lines and location

2.1. The Company's business lines include 03 main areas:

- Electricity transmission and retail distribution
- Development, treatment and retail distribution of clean water
- Construction and installation of electrical and water works.

2.2. The Company's locations of operations and business locations include:

➤ COMPANY'S HEAD OFFICE

Address: No. 34 Thien Loi street, An Duong ward, Le Chan district, Hai Phong city

➤ AN DUONG ELECTRIC ENTERPRISE

Address: An Dong commune, An Duong district, Hai Phong city.

➤ **VINH BAO ELECTRIC ENTERPRISE**

Address: Tan Hung commune, Vinh Bao district, Hai Phong city.

➤ **THUY NGUYEN ELECTRIC ENTERPRISE**

Address: Lap Le commune, Thuy Nguyen district, Hai Phong city.

➤ **HA LONG BRANCH**

Address: kiosk C 238 Sunworld old quarter, Ha Long street, Bai Chay ward, Ha Long city, Quang Ninh province.

➤ **HAI DUONG BRANCH**

Address: 3rd floor, Minh Anh Plaza building, 76-80 Tran Hung Dao street, Tran Hung Dao ward, Hai Duong city, Hai Duong province.

➤ **HUNG YEN BRANCH**

Address: 1st floor, building A3, Van Giang Commercial and Tourism Urban Area, Xuan Quan commune, Van Giang district, Hung Yen province.

➤ **PHU QUOC BRANCH**

Address: S336, An Thoi Gate Way urban area, quarter 6, An Thoi ward, Phu Quoc city, Kien Giang province, Vietnam.

➤ **NGHE AN BRANCH**

Address: TG1-16/LK53-18, Eco Central Park Urban Area, Hung Hoa commune, Vinh city, Nghe An province, Vietnam.

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

Hai Phong Electricity Water Machine Assembly Joint Stock Company operates under the management model of a listed public company, converted from a state-owned company to a 100% private joint stock company.

3.1. Governance model

- + General meeting of shareholders
- + Board of Directors
- + Audit Committee under the Board of Directors
- + Board of General Directors

3.2. Management system

- Sales Department: Carry out activities of purchasing and selling input products and services and manage and monitor activities of providing products and services to customers. Develop and expand customers and scope of supply. Establish and monitor production and business plans.

- Safety Engineering Department: Perform technical expertise, coordinate with electrical enterprises and branches to ensure electrical engineering, electrical safety and prevention of overload and power loss.
- Finance Department: Fully implement accounting and financial regimes in accordance with legal regulations. Ensure capital sources for the Company's production and business activities.
- Administrative Organization Department: Administrative Management, Organization, Labor, Salary.
- Technology and Customer Care Department: Manage the entire Company's Technology and customer care services.
- Affiliated Enterprises: perform production and business tasks according to professional functions and instructions of the Board of Directors.
- Branches: production and business activities according to professional functions and direction of the Board of Directors.

4. Development orientation

4.1. The Company's main goals in 2025

4.1.1. Economic indicators

No.	Indicator	Output (KWh) / (m ³)	Revenue (Million dong)	Loss ratio (%)
I	Total revenue (million dong)		1.200.000	
1	Electricity Business	450.500.000	1.164.500	3,9
1.1	An Duong Electric Enterprise	161.200.000	416.000	4,8
1.2	Thuy Nguyen Electric Enterprise	65.400.000	156.000	4,8
1.3	Vinh Bao Electric Enterprise	56.200.000	127.200	5,0
1.4	Ha Long Branch	20.000.000	60.000	5,6
1.5	Ecopark Hai Duong Branch	15.500.000	45.000	2,1
1.6	Ecopark Hung Yen Branch	109.500.000	295.800	1,8
1.7	Phu Quoc Branch	12.500.000	36.000	3,6
1.8	Nghe An Branch	1.500.000	4.000	3,0
1.9	Accepting new projects	8.700.000	24.500	3,6
2	Water business	1.127.000		4,6
2.1	An Duong Electric Enterprise	913.000		
2.2	Thuy Nguyen Electric Enterprise	20.000		

2.3	Ha Long Branch	194.000		
3	Other revenue	16.000		
IV	Profit before tax (Billion dong)		56	
VI	Payments to the State Budget (Billion dong)		24	
VII	Dividend Ratio - Cash: - Bonus Shares		≥20% 25%	
VIII	Average salary (Million Dong/person/month)		15	

4.1.2. Implementing investment projects

- Invest in building substations in communes to meet customers' electricity needs and supply quality.
- Constructing 12 new substations, with a total capacity of 7.350 KVA.
- Increase transformer capacity:
- Increase substation capacity: 03 substations are Company assets, 18 substations are Electricity assets with a total increased capacity of 4.510kVA.
- Invest in repairing, renovating and upgrading low-voltage power lines to load substations and prevent overload:
- Renovate, replace, and add anti-overload trunk line pulling equivalent to 22,5 km.
- Replace, move, and build 550 new electric poles to ensure safety and serve the new rural program of localities.
- Continue to implement the Project to replace 25.000 electronic meters that transmit data remotely and replace 1.500 sensor meters that are due for inspection.
- Develop new customers
- Expected number of new customers accepted: 2.400 customers
- Approach housing projects and new urban areas in Hai Phong city to receive management and exploitation of electricity and water business.
- *Medium and long term development strategy (2025-2029)*

Unit: Billion dong

Indicator	Year				
	2025	2026	2027	2028	2029
1. Charter capital	100,3	100,3	100,3	100,3	100,3
2. Revenue	1.200	1.320	1.450	1.600	1.760
3. Profit before	56	30	34,5	40	46

corporate income tax					
4. Average salary (million dong/person/month)	15	15,7	16,5	17,5	18
5. Dividend Ratio	≥45%	≥20%	≥20%	≥20%	≥20%
<i>Cash</i>	≥20%	≥20%	≥20%	≥20%	≥20%
<i>Shares</i>	≥25%				

➤ **Target**

- Improve production and business efficiency, optimize available resources to maintain and promote annual growth rate from 12 - 15%.
- Focus on consolidating and developing the Company's main business lines, which are electricity and water trading. Invest in renovating and stabilizing the electricity and water grid system, expanding the business market, meeting the increasing demands of customers.
- Implement measures to continue reducing the rate of electricity loss, implement saving programs in the management, distribution and retail of electricity and water.
- Ensure employment, improve income and working conditions for staff, improve material and spiritual life for employees.
- Ensure social security in business locations.

Plan to implement investment projects

- Develop the electricity and water business market, develop customers in the provinces and cities under management and other provinces and cities across the country.

II. PERFORMANCE STATUS IN 2024

The Company's organizational structure in 2024 includes: 03 Power Plants, 05 Branches, 05 functional departments (Sales Department, Safety Engineering Department, Finance Department, Administrative Organization Department and Technology and Customer Care Department) with a total of 163 employees.

1. Production and business situation

- Sales revenue: 937.408 million dong, reaching 93% of the plan.
- Net operating profit: 53.091 million dong
- Total profit before tax: 53.194 million dong
- Electricity consumption in 2024: 374.290.699 KWh, up 107% from 2023.

2. Organization and personnel

2.1. Executive Board

- General Director: Le Huu Canh - Member of Board of Directors - number of shares held: 996.053 shares
- Chief Accountant: Mai Thi Thanh Ha - number of shares held: 1.020 shares
- Deputy General Director: Nguyen Van Thao - number of shares held: 97.700 shares

2.2. Number of employees

- Number of staff: 163 people, of which:
 - + Undergraduate and postgraduate level: 63 people
 - + Associate, intermediate: 46 people
 - + Technical workers and common laborers: 54 people

3. Investment situation, project implementation situation

3.1. Carry out investment, repair and upgrade of asset systems

a. New construction

Construction of medium voltage lines and 14 substations with a total additional capacity of 8.680kVA, of which:

- An Duong Electric Enterprise: 07 substations.
- Thuy Nguyen Electric Enterprise: 05 substations.
- Vinh Bao Electric Enterprise: 02 substations.

b. Increase the capacity of substations

Increase capacity of 09 substations which are assets of the Company with total increased capacity of 1.830kVA.

c. Install new electric meter, water meter and periodic replacement work:

- Install new electricity and water meters for 2.217 customers.
- Periodically replace electricity and water meters: 14.560 units.

d. Investment in construction and repair of offices of units

- Renovate and put into use the office for Nghe An Branch and the Office of the Electricity Management Board of Lien Am Commune, Vinh Bao District.
- Renovate the factory to serve car parking at the Company Head office.
- Repaint the entire Company Head office.

3.2. Expand the area of electricity and water business operations

- Hai Phong City: Residential area 80 Ha Ly, Hong Bang district and Hoang Huy New City urban area, Tan Duong commune, Thuy Nguyen district.
- Nghe An Province: Ecopark Group's project in Hung Hoa commune, Vinh city.

3.3. Total electrical grid assets

- Number of 466 substations with total capacity of substations: 436.840kVA

Of which: 128 substations are assets invested by the Company, 251 substations are received from projects and 87 substations are assets of the Electricity.

3.4. Number of customers using electricity and water: over 95.000 customers.

4. Financial situation

4.1. Financial situation

According to the audited 2024 Financial statements, the Company's financial situation is as follows:

Unit: Million dong

No.	Indicator	Year 2023	Year 2024	Ratio of increase and decrease (%)
1	Total Asset Value	173.783	202.740	116%
2	Net revenue	802.482	937.408	116%
3	Net operating profit	50.009	53.091	106%
4	Other profits	-1.934	102,878	
5	Total profit before tax	48.075	53.194	110%
6	Profit after tax	37.393	42.140	112%
7	Cash dividend payout ratio	25%	25%	

4.2. Key financial indicators

No.	Indicator	Year 2023	Year 2024
1	Solvency indicator		
	Current ratio	1,52	1,63
	Quick ratio	1,18	1,37
2	Capital structure indicator		
	Debt/Total Assets Ratio	34,72%	34,27%
	Debt/Equity Ratio	53,10%	52,15%
3	Performance indicator		
	Working capital turnover	9,97	8,83
	Net Revenue/Total Assets	4,62	4,62
4	Profitability indicator		
	Profit after tax / Net revenue ratio	4,46%	4,5%

	Profit after tax / Equity ratio	32,96%	31,63%
	Profit after tax / Total assets ratio	21,52%	20,79%
	Operating Profit / Net Revenue Ratio	6,23%	5,6%

5. Shareholder structure, changes in owner's equity

5.1. Shares

- Number of shares outstanding: 8.027.780 shares
- Total number of common shares: 8.027.780 shares

5.2. Shareholder structure

According to the list finalized on March 10, 2025, the Company's shareholder structure is as follows:

No.	Type of shareholder	Number of shareholders	Number of shares owned	Ownership ratio
1	Total number of shareholders		8.027.780	100%
2	Major shareholders	05	6.531.214	81,4%
3	Domestic shareholders	131	8.003.141	99,6%
4	Foreign shareholders	10	24.639	0,4%
5	Domestic institutional shareholders	01	514.628	6,41%
6	Foreign institutional shareholders	06	11.051	0,14%

5.3. Owner's capital change situation: from 64.222.580.000d up to 80.277.800.000d

5.4. Treasury stock trading: None

5.5. Other securities: Available (458.488 shares of Vietnam Construction and Import-Export Joint Stock Company - stock code is VCG).

III. REPORT AND ASSESSMENT OF THE BOARD OF GENERAL DIRECTORS

1. Assessment of production and business results

In 2024, there are still many difficulties due to objective factors of the economy, but the Company has also achieved the set strategic goals, which are:

- Ensure dividend payout ratio for shareholders according to the Resolution of the General Meeting of Shareholders.

- Employees have stable jobs, improved living standards, and high solidarity among staff.
- Convert from traditional Website model to Electronic Portal model and deploying online electricity services and online payments creates many conveniences for customers.
- Continue to deploy the replacement from induction meters to electronic meters that transmit data remotely.
- Expand the market, receive more projects in the area and expanding to neighboring provinces.
- Investment in new construction, upgrading and renovation of the power grid is carried out regularly to ensure the best quality of electricity to serve customers.
- The Company's leaders also pays special attention to social contributions.

2. Financial situation

2.1. Asset Analysis

In 2024, the Company's financial situation is stable, with no bad debt arising.

2.2. Profitability and solvency analysis

With the stable nature and business lines, the Company's ability to generate profits from production and business activities is always in good condition, each year higher than the previous year.

Fast and highly secure solvency.

IV. REPORT OF THE BOARD OF DIRECTORS

1. Board of Directors' assessment of the Company's operations and the performance of the Company's the Board of General Directors

- Strictly implement the rights and obligations of the Board of Directors according to the Law and the Company's Charter. Fully comply with all regulations on corporate governance and information disclosure of the State Securities Commission, Hanoi Stock Exchange and other competent authorities.
- The Board of Directors issues internal regulations and provisions in accordance with State law in accordance with the Resolution of the General Meeting of Shareholders.
- The Board of Directors fully supervises the activities of the Board of General Directors in developing strategies, medium-term plans, and annual production and business plans to ensure that decisions on the Company's operations comply with the resolutions of the General Meeting of Shareholders as well as legal regulations.
- The Board of Directors has seriously considered each issue and requested the Executive Board to proactively expand relationships to seek markets and expand

the area of electricity business operations, develop management measures suitable to the business model, strictly control cost items... enhance responsibility and management ability to achieve efficiency and production safety.

- In 2024, the Company will complete the targets set by the 2023 Annual General Meeting of Shareholders, create stable jobs for employees and increase salaries according to State regulations for employees in the Company, fully perform its obligations to the State.

2. Board of Directors' Operational Plan for 2024

- Continuously improve the effectiveness and efficiency of the Board of Directors and the Board of General Directors based on strict compliance with the provisions of the Law and the Company's Charter, ensuring the creation of conditions and maximizing the capacity of the management and executive staff.

- The Board of Directors closely monitors the operations of the General Director and the Executive Board.

- Focus on training and fostering key staff and employees to participate in courses inside and outside the Company. Apply modern management methods; effectively supervise and direct all production and business activities of the Company.

- Focus on investment, renovation, repair and upgrading of the Company's electrical grid system, customer care and digital transformation.

- Orientation for development of business locations inside and outside the city.

- Committed to preserving and developing capital and ensuring the rights of investors.

- Perfecting the Company's organizational structure and management model, decentralizing specifically to each department and individual to enhance proactive role, maximizing all resources to implement tasks.

- Strengthen inspection and supervision of each department's activities to analyze and evaluate implementation results, find solutions and develop production and business plans that are close to reality.

- Tighten management measures to control costs at the most economical level.

V. CORPORATE GOVERNANCE

1. Board of Directors

1.1. Members

- Mr. Do Huy Dat, born in 1958 - Chairman of the Board of Directors

Shares owned: 2.039.375 shares

- Mr. Le Huu Canh, born in 1964 - Member of Board of Directors - General Director.

Shares owned: 996.053 shares

- Mr. Nguyen Trung Kien born in 1961 - Member of Board of Directors - Head of Internal Audit Board

Shares owned: 2.390.148 shares

- Mr. Ta Van Son, born in 1960 - Member of the Board of Directors, Chairman of the Audit Committee

Shares owned: 37.057 shares

- Ms. Vu Thi Luong Dung, born in 1975 - Member of Board of Directors - Sales Director

Shares owned: 266.675 shares

- Ms. Lai Thi Vinh, born in 1965 - Member of the Board of Directors

Shares owned: 61.090 shares

1.2. Board of Directors Activities

In 2024, the Board of Directors held 05 meetings with members of the Board of Directors, the Board of General Directors, and the Audit Committee to implement the Resolution of the 2024 Annual General Meeting of Shareholders with the following specific contents:

a. The 1st meeting (January 25, 2024) discussed the following contents:

- Approval of production and business results for the fourth quarter and the whole year of 2023:

Indicator	Quarter IV/2023	Year 2023
- Total revenue (million dong)	214.239	802.483
- Power output (kWh)	86.664.000	337.969.000
- Power loss ratio (%)	4,0	4,1
- Water output (m3)	276.060	1.043.000
- Water loss ratio (%)	5,0	5,7

+ Signing a cooperation contract with SunGroup in the Southern region on electricity business cooperation at projects in Phu Quoc City, Kien Giang Province. Establishing Phu Quoc Branch to manage, operate and trade electricity at SunGroup Projects.

+ Construction, acceptance, energization and operation of 11 substations and capacity increase of 9 substations. Replacement and relocation of 100 low-quality electric poles and road openings in communes. Supplement and replacement of 29.600m of low-voltage trunk lines to prevent overload.

+ Install new electricity and water meters for 1.755 customers and receive 2.915 new customers at large urban projects.

+ Replace 14.207 electronic meters with remote data transmission.

- Approval of financial results for the fourth quarter and the full year of 2024:
- Discuss and approve the Production and Business Plan for the first quarter of 2024 and the whole year of 2024.

+ Production and business indicators in 2024

Revenue : 1.006.000 million dong

Power output : 408.750.000kwh - Loss ratio: 4%

Water output : 870.000m³ - Loss ratio: 4%

Dividend ratio: $\geq 20\%$ in cash and $\geq 25\%$ in shares

+ Investment work to renovate the power grid system:

Construct 12 new transformer stations, with a total capacity of 7.000 kVA.

Capacity increase of 08 transformer stations.

Additional replacement of 25.000m of low voltage trunk line

Replace 20.000 electric meters of all kinds.

+ Business market development and new customer development:

Receive and sign a contract for cooperation in electricity business management with the Investor at the Ecopark Group Project in Vinh city, Nghe An.

Increase 2.150 new electricity customers to Enterprises.

Increase 3.500 new electricity customers to Branches.

+ Adjustment of 2024 Salary: Building a salary mechanism in 2024, increasing by 10% compared to 2023.

- Approval of the 2024 Internal Audit Plan.
- Approving the plan to organize the 2024 Annual General Meeting of Shareholders on Saturday (April 06, 2024) and the plan to pay the second interim dividend in 2023 in cash at a rate of 15%/Charter Capital.

b. The 2nd meeting (March 12, 2024) discussed the following contents:

- Review and approve documents for the 2024 General Meeting of Shareholders and assign the General Director to establish a Committee to prepare for the 2024 General Meeting of Shareholders.

+ Report on 2023 production and business results, 2024 production and business plan submitted to the 2024 Annual General Meeting of Shareholders.

+ Reports and statemtns related to finance: Financial statemtns for 2023; Report on profit distribution and dividend payment plan for 2023; Plan to increase charter capital for 2024; Report on finalization of remuneration for the Board of Directors for 2023; Plan to pay remuneration for the Board of Directors for 2024.

+ Report on the activities of the independent member of the Board of Directors in the Audit Committee at the 2024 General Meeting of Shareholders.

+ Report on the activities of the Board of Directors in 2023; Operational orientation for 2024 submitted to the 2024 General Meeting of Shareholders.

+ Report of the independent member of the Board of Directors and the Audit Committee at the General Meeting of Shareholders approving the list of independent auditing companies to audit the Company's financial statements in 2024.

+ Draft Resolution; Agenda, Regulations of the 2024 Annual General Meeting of Shareholders.

- Review and approve personnel at the 2024 Shareholders' Meeting

+ Presidium Personnel

+ Personnel of the Qualification Checking Committee, Vote Counting Committee

+ Secretariat Personnel

- Approve the Company's personnel organization: reappointment of the Board of General Directors and Chief Accountant.

c. The 3rd meeting (April 24, 2024) discussed the following contents:

- Report on production and business results of the first quarter, production and business plan and some key tasks to be performed in the second quarter of 2024.

+ Production and business results in the first quarter of 2024

Revenue : 182.958 million dong

Power output : 75.976.954kwh - Loss ratio: 4,1%

Water output : 254.000m3 - Loss ratio: 4,47%

Complete construction, acceptance and energization of 01 substation.

Additional replacement of 6km of low voltage trunk line system to prevent overload.

Replace 3.004 remote data transmission meters and 450 sensor meters.

Increase new customers at Enterprises: 463 customers.

Increase new customers at branches: 933 customers

+ Financial results for the first quarter of 2024

- Revenue - Sales of Goods and service rendering: 182.958.204.554, dong

- Profit before tax: 10.975.845.035, dong

- Current corporate income tax: 2.307.317.505, dong

- Deferred corporate income tax: 99.685.349, dong

tax:

- Profit after tax: 8.568.842.181 dong
- Production and business plan for the second quarter of 2024:
 - + **Production and business indicators**
 - Revenue : 238.000 million dong
 - Power output : 96.944.000kwh - Loss ratio: 4,04%
 - Water output : 870.000m3 - Loss ratio: 4%
 - + **Investment work to renovate the power grid system**
 - Complete construction, acceptance and energization of 06 substations.
 - Capacity increase of 06 substations.
 - Additional replacement of 8,3km of low voltage trunk line system to prevent overload.
 - Replace remote data transmission meters: 5.450 units, sensor meters: 1.145 units
- Assign the General Director to perform the following tasks:
 - + Develop a plan for electricity business cooperation with the investor of Ecopark Group Project in Vinh city, Nghe An.
 - + Report, assessment of investment implementation of remote data transmission meter phase 1, Investment plan phase 2.
 - + Carry out procedures and plans to issue shares to increase the Company's Charter Capital in 2024 according to the Resolution of the General Meeting of Shareholders.

d. The 4th meeting (August 6, 2024) discussed the following contents:

- Approval of the Report on production and business results, financial performance results for the second quarter - first 6 months of 2024:

+ Production and business results for the second quarter and first 6 months of 2024:

Indicator	Quarter II/2024	6 months of 2024
- Total revenue (million dong)	250.543	433.502
- Power output (kWh)	100.312.819	176.289.773
- Power loss ratio (%)	4,08	4,10
- Water output (m3)	255.074	482.875
- Water loss ratio (%)	5,11	4,93

- + **Investment work to renovate the power grid system**
 - Complete construction, acceptance and energization of 03 substations.
 - Supplement and replace 15,08 km of low voltage trunk line to prevent overload and develop the route.

Periodically replace 7.003 remote data transmission meters.

New increase of 4.120 electricity customers and 59 water customers.

+ Approval of Financial Performance Results for the Second Quarter and First Half of 2024:

- Third quarter plan 2024:

+ Production and business indicators in 2024

Revenue : 305.500 million dong

Power output : 121.500.000kwh - Loss ratio: 4,11%

Water output : 225.000m3 - Loss ratio: 4,65%

Dividend ratio: $\geq 20\%$ in cash and $\geq 25\%$ in shares

+ Investment work to renovate the power grid system:

Complete construction, acceptance and energization of 08 substations.

Increase capacity of 19 substations.

Additional replacement of 7,45km of low voltage trunk line system to prevent overload.

Periodically replace 7.480 remote data transmission meters.

+ Business market development and new customer development:

Sign a business cooperation contract with Viet Lao Economic Cooperation Corporation and establishing an electricity branch in Vinh City, Nghe An Province; carrying out legal procedures for the branch to operate..

- Discuss the plan to receive the Ecopark Project's power system in Vinh City, Nghe An Province and establishing Nghe An Branch:

+ Number of customers: 6.988 apartments

+ Joint venture profit sharing ratio: 50/50, Joint venture validity for phase 1 is 10 years.

+ Branch name: HAI PHONG ELECTRICITY WATER MACHINE ASSEMBLY JOINT STOCK COMPANY – NGHE AN BRANCH

+ **Branch Address:** Urban area and social housing project in Hung Hoa commune, Vinh city, Nghe An province.

+ Main business lines: Electricity transmission and distribution

- Report on activities of the Audit Committee and the Internal Audit Board in the first 6 months of 2024:

+ Mr. Ta Van Son - Chairman of the Audit Committee, Head of the Internal Audit Delegation presented the report.

+ The General Director directs the inspection, review and supplementation of regulations on investment in the construction of substations of the Company; Report to the Board of Directors before September 30, 2024.

- Other content:

+ Approval of the Statement on the appointment of Director of Vinh Bao Electricity Enterprise.

+ Approval of the plan to pay interim dividend for the first period of 2024 in cash at the rate of 10%/Charter Capital (1 share receives 1.000 VND) on October 25, 2024.

+ The 19th meeting of the Board of Directors for the 2021-2026 term is expected to take place on Friday, October 25, 2024.

e. The 5th meeting (October 30, 2024) discussed the following contents:

- Report on production and business results for the third quarter of 2024

+ Production and business results for the third quarter

Revenue : 284.814 million dong

Power output : 112.646.300kwh - Loss ratio: 4,21%

Water output : 279.160m3 - Loss ratio: 5,23%

Complete construction, acceptance and energization of 06 substations.

Additional replacement of 9,2km of low voltage trunk line system to prevent overload.

Replace 2.687 remote data transmission meters, 452 sensor meters.

Increase in number of electricity customers: 729 customers.

Overcoming the consequences of Typhoon No. 3 (Yagi): 461 broken electric poles; 1,3 km of low voltage wire; 213 electric meters; 9 lighting poles.

Sign a business cooperation contract with Viet Lao Economic Cooperation Corporation for a term of 7 years; Establishing Nghe An Branch to carry out the management, operation and electricity business at Ecopark Vinh - Nghe An Project.

- Financial performance results for the third quarter and first 9 months of 2024:

Content	Quarter III/2024	Accumulated 9 months 2024
Revenue - Sales of Goods and service rendering	284.813.598.795	724.090.254.375
Profit before tax	18.344.738.782	43.726.497.043
Corporate income tax	3.818.795.596	8.843.488.565
Deferred corporate income tax	145.127.583	367.922.627
Profit after tax	14.380.815.603	34.515.085.851

- Production and business plan for the fourth quarter of 2024:

+ Production and business indicators:

Revenue : 260.000 million dong

Power output : 99.710.900kwh - Loss ratio: 4,05%

Water output : 309.160m³ - Loss ratio: 4,48%

+ Investment work to renovate the power grid system:

Complete construction, acceptance and energization of 05 substations.

Additional replacement of 5,2km of low voltage trunk line system to prevent overload.

Periodically replace 6.710 remote data transmission meters; 520 sensor meters

Inspect 150 water meters.

Continue to complete the recovery of consequences caused by typhoon No. 3 (Yagi).

+ Business market development and new customer development:

Increase 520 electricity customers, 75 water customers

+ Implement the work of changing electricity prices according to Decision No. 2699/QD-BCT, dated October 11, 2024 of the Ministry of Industry and Trade, regulating electricity prices.

- Discuss and approve the Draft Production and Business Plan for 2025 in the following areas: business investment; annual finance; human resource organization, salary,...

+ Production and business indicators in 2025

Revenue : 1.270.000 million dong

Power output : 481.891.000kwh - Loss ratio: 3,93%

Water output : 1.110.500m³ - Loss ratio: 4,64%

Dividend ratio: $\geq 20\%$ in cash

Profit before tax: 58.200 million dong

Average income: 15.000.000d/person/month

+ Investment work to renovate the power grid system:

Construct 12 new transformer stations, with a total capacity of 7.350 KVA.

Increase the capacity of 15 substations is an asset of Electricity.

Supplement and replace 22,5km of low voltage line system.

Supplement and replace 550 electric poles of all kinds.

Replace 19.150 remote data transmission electronic meters, 2.350 induction type electric meters.

+ Customer development work:

Increase 2.400 new electricity customers to electricity enterprises.

Increase 250 new water customers to the Enterprises.

Receive 5.050 electricity customers at the Branches.

+ Market development work:

Connect with SunGroup to receive the power system at the Cat Ba Central Bay Tourism and Commercial Service Project, Sun Group Tay Ho Project.

Develop a plan to receive, operate and trade clean water in the urban areas of Ecopark Hung Yen and Ecopark Vinh.

+ Investment capital plan for 2025: Estimated 41 billion dong.

+ Develop and adjust the 2025 salary mechanism to increase by 8-10% compared to 2024, effective from January 2025.

2. Audit Committee

2.1. Audit Committee Members and Structure

No.	Full name	Title	Share ownership ratio
1	Ta Van Son	Member of Board of Directors - Chairman of Audit Committee (from April 2021)	37.057 shares account for 0,46%
2	Nguyen Trung Kien	Member of Board of Directors - Head of Internal Audit Board (from April 2021)	2.390.148 shares account for 29,77 %

2.2. Audit Committee Activities

2.2.1. Review of the Audit Committee's performance in 2024

- During 2024, the Audit Committee held regular meetings and attended the Board of Directors meetings of the Company.

- The Audit Committee has performed its duties and responsibilities in accordance with the following main activities:

+ Supervise the Board of Directors, Board of General Director and the Management Staff in managing and operating the Company's production and business activities in 2024..

+ Supervise the implementation of the Resolution of the General Meeting of Shareholders and the Resolution of the Board of Directors in 2024.

+ Review and appraise the Financial Statements, mid-year and full-year business results 2024.

+ Review of Internal Control and Risk Management Systems;

+ Supervise the Company's internal audit department;

+ Regularly monitor and supervise to ensure the Company complies with the provisions of the Law, requirements of the management agency and other internal regulations of the Company;

+ The Chairman of the Audit Committee regularly exchanges with other members of the Board of Directors, the General Director, the Chief Accountant and other managers to collect information related to the Company's operations to serve the Audit Committee's operations;

2.2.2. In 2024, the Audit Committee held 2 meetings:

a/ On July 30, 2024, the Audit Committee met and agreed on the following contents:

- + Audit Committee activities in the first 6 months of 2024;
- + Results of supervision of Board of Directors, General Director, and Management Staff
- + Results of reviewing internal control and risk management systems,
- + Assess the Company's compliance with the provisions of the Law, requirements of regulatory agencies and other internal regulations of the Company.
- + Results of monitoring the Company's financial situation
- + Coordination between the Audit Committee, the Board of Directors, the Board of General Directors and Shareholders
- + Assessment of the audit of the Company's investment and construction activities of power lines and transformer stations in 2023
- + Some comments and recommendations
- + Work plan of the Audit Committee for the last 6 months of 2024.

b/ On December 21, 2024, the Audit Committee met and agreed on the following contents:

- + Audit Committee Activities;
- + Results of supervision of Board of Directors, General Director, and Management Staff;
- + Results of reviewing internal control and risk management systems, evaluating the performance of the Internal Audit department
- + Assess the Company's compliance with the provisions of the Law, requirements of regulatory agencies and other internal regulations of the Company.
- + Audit results of the Company's financial statements for the first 6 months of 2024;
- + Coordination between the Audit Committee, the Board of Directors, the Board of General Directors and Shareholders;

+ Assess the audit of the production and business activities of Ecopark Hung Yen Branch

+ Some comments and recommendations.

c/ Results of Audit Committee Meetings:

- The meetings of the Board of Supervisors all took place at the head office of Hai Phong Electricity Water Machine Assembly Joint Stock Company. The members of the Audit Committee actively studied, exchanged, discussed and agreed on the contents of the meeting.

- At the end of the meeting, the minutes were recorded; 2/2 votes in favor accounted for 100%.

3. Transactions, remuneration and benefits of the Board of Directors, the Board of General Directors, the Audit Committee and the Internal Audit Board:

3.1. Salary, bonus, remuneration and benefits of the Board of Directors, Board of General Directors, Audit Committee and Internal Audit Board

Unit: Vietnam Dong

No.	Full name	Position	Salary, Bonus, Remuneration
1	Do Huy Dat	Chairman of the Board of Directors	946.840.000
2	Le Huu Canh	Member of Board of Directors - General Director	1.585.229.077
3	Nguyen Trung Kien	Member of Board of Directors - Head of Internal Audit Board	256.500.000
4	Vu Thi Luong Dung	Member of Board of Directors - Sales Director	842.733.969
5	Ta Van Son	Member of the Board of Directors - Chairman of the Audit Committee	269.500.000
5	Lai Thi Vinh	Member of the Board of Directors	213.000.000
6	Nguyen Thi Thu Ha	Member of Internal Audit Committee	605.123.012
7	Duong Thuy Linh	Member of Internal Audit	137.500.000

		Committee	
8	Nguyen Van Thao	Deputy General Director of the Company	924.217.385
9	Mai Thi Thanh Ha	Chief Accountant	774.424.651
	Total		6.555.068.094

3.2. Stock transactions of internal shareholders: Yes

3.3. Implementation of corporate governance regulations

To gradually improve the effectiveness of management and governance of the Company:

- Develop and promulgate a system of policies to manage enterprises, review and supplement and replace contents of regulations and statutes that are no longer suitable.
- Closely monitor production and business activities, promptly collect receivables to ensure capital for business operations.
- Solutions and measures to improve production and business results and improve unsatisfactory, lacking and weak aspects.
- Comply with State Regulations.

BALANCE SHEET

As of December 31, 2024

Unit: Vietnamese Dong

Indicator		Notes	Balance	
Content	Sign		Year Beginning	Year End
A. CURRENT ASSETS (100=110+120+130+140+150)	100		113.460.963.189	98.913.461.985
I. Cash and cash equivalents	110		20.631.732.678	16.262.893.402
1. Cash	111	V.01	20.631.732.678	16.262.893.402
2. Cash equivalents	112			
II. Current financial investment	120	V.02	8.845.622.953	16.013.542.328
1. Business securities	121		9.886.685.075	15.483.542.328
2. Provision for decrease in value of trading securities	122		(1.565.127.875)	

3. Held-to-maturity investments	123		524.065.753	530.000.000
III. Current accounts receivable	130		65.484.182.496	53.909.220.882
1. Short-term trade receivables	131		38.978.261.330	36.604.635.884
2. Short-term advances to suppliers	132		1.266.471.233	1.366.493.107
3. Short-term internal receivables	133			
4. Receivable according to the construction contract schedule	134			
5. Short-term loan receivables	135			100.000.000
6. Other receivables	136		25.239.449.933	15.838.091.891
7. Provision for doubtful debts	137			
8. Shortage of assets awaiting resolution	139			
IV. Inventories	140		16.415.521.396	10.640.076.054
1. Inventories	141	V.04	16.581.394.355	10.805.949.013
2. Provision for obsolete inventories	149		(165.872.959)	(165.872.959)
V. Other current assets	150		2.083.903.666	2.087.729.319
1. Short-term prepaid expenses	151		1.979.663.268	1.946.476.702
2. Value added tax deductibles	152		23.578.547	141.252.617
3. Tax and other receivables from the State	153		80.661.851	
4. Trading Government bonds	154			
5. Other current assets	155			
B. NON-CURRENT ASSETS (200=210+220+240+250+260)	200		89.279.966.536	74.869.684.909
I. Non-current accounts receivable	210			
1. Long-term trade receivables	211			
2. Long-term advance to suppliers	212			
3. Paid-in capital in wholly-owned	213			

subsidiaries				
5. Long term loan receivables	215			
6. Other long-term receivables	216			
7. Provision for doubtful long-term receivables	219			
II. Fixed assets	220		59.744.826.839	54.747.607.928
1. Tangible fixed assets	221	V.08	54.483.895.133	50.354.306.563
- Cost	222		134.731.835.425	122.444.784.963
- Accumulated depreciation	223		(80.247.940.292)	(72.090.478.400)
2. Finance leasing fixed asset	224	V.09		
- Cost	225			
- Accumulated depreciation	226			
3. Intangible fixed assets	227	V.10	5.260.931.706	4.393.301.365
- Cost	228		6.148.179.248	5.281.629.248
- Accumulated depreciation	229		(887.247.542)	(888.327.883)
III. Investment properties	230	V.12		
- Cost	231			
- Accumulated depreciation	232			
IV. Long term assets in progress	240		382.687.445	889.450.913
1. Long-term work in progress	241			
2. Construction in progress	242		382.687.445	889.450.913
V. Long-term finance investments	250		3.592.670.397	3.659.275.976
1. Investments in subsidiary	251			
2. Investments in associates, and joint-venture	252		4.000.000.000	4.000.000.000
3. Investment in other entities	253	V.13		
4. Provision for long-term finance investments	254		(407.329.603)	(340.724.024)
5. Held-to-maturity investments	255			
VI. Other long-term assets	260		25.559.781.855	15.573.350.092

1. Long-term prepaid expenses	261	V.14	25.559.781.855	15.573.350.092
2. Deferred income tax assets	262	V.21		
3. Long-term tools, supplies and spare parts	263			
4. Other long-term assets	268			
TOTAL ASSET (270 = 100+200)	270		202.740.929.725	173.783.146.894
CAPITAL				
A. LIABILITIES (300 = 310 + 330)	300		69.478.793.392	60.338.233.409
I. Current liabilities	310		68.789.408.743	60.179.697.308
1. Short-term trade payables	311		32.452.539.773	30.807.382.831
2. Short-term advances from customers	312		473.797.398	899.218.950
3. Taxes and other payables to State	313	V.16	3.129.243.900	4.254.804.580
4. Payables to employees	314		906.818.300	810.272.131
5. Short-term accrued expenses	315	V.17	11.334.582.676	10.537.239.334
6. Short-term internal payables	316			
7. Payable according to the construction contract schedule	317			
8. Short-term deferred revenue	318			
9. Other short-term payables	319	V.18	4.403.248.460	3.105.689.641
10. Short-term loan and finance lease	320	V.15	14.456.096.582	8.565.306.014
11. Provision of short term payables	321			
12. Reward and welfare funds	322		1.633.081.654	1.199.783.827
13. Price stabilisation fund	323			
14. Trading of government bonds	324			
II. Non-current liabilities	330		689.384.649	158.536.101
1. Long-term supplier payables	331			
2. Long-term advances from customers	332			

3. Long-term accrued expenses	333			
4. Internal payable for business capital	334			
5. Long-term internal payables	335	V.19		
6. Long term deferred revenue	336			
7. Other long-term liabilities	337			
8. Long-term loans and finance lease obligations	338	V.20		
9. Convertible bond	339			
10. Preferential stock	340			
11. Deferred tax liabilities	341	V.21	689.384.649	158.536.101
12. Provisions for long-term payables	342			
13. Scientific and technological development fund	343			
B. OWNERS' EQUITY (400 = 410 + 430)	400		133.262.136.333	113.444.913.485
I. Owners' equity	410	V.22	133.262.136.333	113.444.913.485
1. Contributed chartered capital	411		80.277.800.000	64.222.580.000
- Ordinary shares with voting rights	411a		80.277.800.000	64.222.580.000
- Preferential share	411b			
2. Share premium	412		(50.000.000)	(50.000.000)
3. Convertible bond options	413			
4. Owner's other equity	414			
5. Treasury shares	415			
6. Asset revaluation differences reserve	416			
7. Foreign exchange differences reserve	417			
8. Investment and development fund	418		557.368.590	557.368.590
9. Enterprise organization support fund	419			
10. Other funds belonging to owners' equity	420		713.858.604	713.858.604
11. Undistributed post-tax profits	421			

			51.763.109.139	48.001.106.291
- Undistributed post-tax profits accumulated to prior year-end	421a		17.741.254.467	17.120.472.848
- Undistributed post-tax profits of this period	421b		34.021.854.672	30.880.633.443
12. Capital for basic construction investment	422			
II. Other funds and expenses	430			
1. Funds	431			
2. Fund for fixed assets in use	432			
TOTAL CAPITAL (440 = 300 + 400)	440		202.740.929.725	173.783.146.894

INCOME STATEMENT

For the fiscal year ended 31/12/2024

Unit: Vietnamese Dong

Indicator		Notes	Incurred	
Content	Sign		Current period	Previous period
1. Revenue - Sales of Goods and service rendering	01	VI.25	937.408.787.887	802.482.861.535
2. Revenue deductions	02			
3. Net revenue from sales of Goods and services rendering (10 = 01 - 02)	10		937.408.787.887	802.482.861.535
4. Costs of goods sold	11	VI.27	860.603.511.162	734.609.525.271
5. Gross profit from sales of Goods and services rendering (20 = 10 - 11)	20		76.805.276.725	67.873.336.264
6. Revenue from financing activity	21	VI.26	1.656.053.081	195.660.787
7. Financial expenses	22	VI.28	2.144.598.839	(2.255.829.123)
- In which: Interest expense	23			
+ In which: Loan interest expense (+)			512.865.385	751.292.121
8. Sales expenses	25			
9. Business management expenses	26		23.225.477.877	20.314.992.366

10. Net profit from operating activity [30=20+(21-22)-(24+25)]	30		53.091.253.090	50.009.833.808
11. Other income	31		473.901.526	402.008.216
12. Other expenses	32		371.023.298	2.336.227.915
13. Other profit (40 = 31 - 32)	40		102.878.228	(1.934.219.699)
14. Total accounting profit before tax (50 = 30 + 40)	50		53.194.131.318	48.075.614.109
15. Current corporate income tax expense	51	VI.30	10.522.739.007	10.523.277.474
16. Deferred corporate income tax expense	52	VI.30	530.848.548	158.536.101
17. Profit after corporate income tax (60=50-51-52)	60		42.140.543.763	37.393.800.534
18. Basic earnings per share	70		6.084	5.227
19. Declining earnings per share	71			

CASH FLOW STATEMENT

(Under Direct Method)

For the fiscal year ended 31/12/2024

Unit: Vietnamese Dong

Indicator		Incurred	
Content	Sign	Current period	Previous period
I. Cash flow from operating activities			
1. Profit before tax	01	53.194.131.318	48.075.614.109
2. Adjustments for items			
- Depreciation of fixed assets	02	8.415.006.551	7.173.958.457
- Provisions	03	1.631.733.454	(3.027.340.644)
- Exchange rate differences and gains and losses due to revaluation of foreign currency	04		

monetary items			
- Gains and losses from investment activities	05	(57.804.537)	(195.660.787)
- Interest expense	06	512.865.385	751.292.121
- Other adjustments	07		
3. Operating profit before changes in working capital	08	63.695.932.171	52.777.863.256
- Increase, decrease receivables	09	(11.533.652.670)	(34.340.566.031)
- Increase, decrease inventories	10	(5.529.070.342)	(798.314.743)
- Increase, decrease payables (excluding interest payable, corporate income tax payable)	11	4.656.985.652	32.711.501.362
- Increase, decrease prepaid expenses	12	(10.019.618.329)	(9.455.248.199)
- Increase, decrease trading securities	13	5.596.857.253	8.765.111.358
- Paid interest	14	(614.359.280)	(765.544.944)
- Paid corporate income tax	15	(11.479.694.501)	(7.798.808.249)
- Other proceeds from operating activities	16		
- Other expenses on operating activities	17	(4.228.858.088)	(2.735.853.839)
Net cash flow from operating activities	20	30.544.521.866	38.360.139.971
II. Cash flow from investing activities			
1. Expenditures on purchase and construction of fixed assets and other long-term assets	21	(14.489.072.363)	(11.942.321.450)
2. Proceeds from disposal or transfer of fixed assets and other long-term assets	22		
3. Expenditures on loans and equity investment in other entities	23		(530.000.000)
4. Proceeds from loans and resale of debt instruments of other entities	24	30.000.000	

5. Expenditures on investment in other entities	25		
6. Proceeds from investment in other entities	26		
7. Proceeds from interests, dividends and distributed profits	27	53.764.205	94.059.556
Net cash flows from investing activities	30	(14.405.308.158)	(12.378.261.894)
III. Cash flow from financial activities			
1. Proceeds from issuance of shares and receipt of contributed capital	31		
2. Repayment of contributed capital and repurchase of stock issued	32		
3. Proceeds from borrowings	33	87.584.768.823	66.886.477.360
4. Loan principal repayment	34	(81.693.978.255)	(70.171.171.346)
5. Repayment of financial principal	35		
6. Dividends and profits paid to owners	36	(17.661.165.000)	(16.055.732.375)
Net cash flow from financial activities	40	(11.770.374.432)	(19.340.426.361)
Net cash flows during the period (50=20+30+40)	50	4.368.839.276	6.641.451.716
Cash and cash equivalents at the beginning of fiscal year	60	16.262.893.402	9.621.441.686
Effect of exchange rate fluctuations	61		
Cash and cash equivalents at the end of fiscal year	70	20.631.732.678	16.262.893.402

Hai Phong, March 21, 2025

**HAI PHONG ELECTRICITY WATER MACHINE
ASSEMBLY JOINT STOCK COMPANY
CHAIRMAN OF THE BOARD OF THE
DIRECTORS**

(signed and sealed)

Do Huy Dat