

No.: 01/2025/BC-HDQT

Gia Lai, April 1<sup>st</sup>, 2025

## REPORT OF THE BOARD OF DIRECTORS ON COMPANY OPERATIONS IN 2024 AND BUSINESS PLAN FOR 2025

### I. EVALUATION OF THE COMPANY'S ACTIVITIES IN 2024

#### 1. General Overview

In 2024, Gia Lai Water Supply and Sewerage Joint Stock Company successfully completed all planned objectives, playing a crucial role in ensuring a stable and high-quality clean water supply for residents and businesses in Gia Lai Province. The Board of Directors and the Board of Management consistently guided the company's business activities, implementing effective management measures, and developed business plans for each phase to ensure the continuous and safe provision of water as mandated by the General Meeting of Shareholders (GMS).

#### 2. Business Performance in 2024

The company set ambitious operational targets for 2024, achieving significant growth in both revenue and profit, surpassing the assigned plans. The primary business activity, clean water provision, began to generate profit for the company. Key achievements in 2024 include:

- Achieving a growth target for commercial water production, with core revenue reaching 102.02% of the planned target. The after-tax profit for 2024 amounted to 12.44 billion Dong, an increase of 183.67% compared to 2023 and a 111.75% increase over the 2024 target;
- Enhancing cashless payment methods, achieving a 95% cashless payment rate;
- Implementing projects in line with the 2024 budget, prioritizing investment in DMA setup for water loss reduction;
- Transitioning to DNPW's vertical organizational model and adopted the 3P salary policy to enhance labor productivity and motivate employees.

Key Performance Indicators in 2024:

No	Indicator	Unit	2024 Actual	2024 Plan	% of Plan Achieved
1	Revenue	Billion VND	74.55	74.65	99.86%
1.1	Revenue from water supply	Billion VND	64.84	63.81	101.62%
1.2	Construction revenue	Billion VND	6.99	6.54	106.95%
1.3	Revenue from water system relocation	Billion VND	0.83	2.8	29.78%
1.4	Financial income	Billion VND	1.27	0.86	147.53%
1.5	Other income	Billion VND	0.6	0.64	94.53%
2	Profit before tax	Billion VND	15.68	13.92	112.63%
3	Profit after tax	Billion VND	12.44	11.13	111.75%
4	Net profit margin	Billion VND	17.32%	15.83%	109.44%
5	Charter capital	Billion VND	180	180	100%

The overall results are comprehensively reflected in the 2024 Financial Statements.

## **II. REPORT ON CORPORATE GOVERNANCE AND BOD'S ACTIVITIES IN 2024**

### **1. Evaluation of the BOD's Activities and Members**

#### **1.1 BOD Activities and Decisions**

In 2024, the BOD held 7 meetings, including quarterly meetings and additional sessions to approve matters under its authority, guiding the Board of Management in investment procedures and improving business operations. Key BOD Resolutions include:

No	Resolution No.	Date	Content	Approval Rate
1	01/2024/NQ/HĐQT	08/01/2024	Appointed Ms. Nguyen Thi Hong Hanh as General Director	100%
2	02/2024/NQ/HĐQT	07/03/2024	Approved date, venue, and agenda for 2024 GMS; organizational restructuring	100%
3	03/2024/NQ/HĐQT	29/03/2024	Confirmed date and documents for 2024 GMS	100%
4	04/2024/NQ/HĐQT	30/06/2024	Selected audit firm for 2024 financial statements	100%
5	05/2024/NQ/HĐQT	15/10/2024	Dismissed Mr. Le Van Luyen (Deputy General Director); Appointed Mr. Trinh Ba Duy and re-appointed Mr. Nguyen Dinh Vinh as Deputy General Directors	100%

#### **1.2 Organizational and Personnel Changes**

- Dismissed Mr. Nguyen Van Thanh from General Director ( effective from 09/01/2024)
- Appointed Ms. Nguyen Thi Hong Hanh as General Director (effective from 09/01/2024)
- Dismissed Mr. Le Van Luyen (Deputy General Director – effective from 01/11/2024)
- Appointed Mr. Trinh Ba Duy (Deputy General Director – effective from 01/11/2024)
- Replaced Ms. Nguyen Thi Hong Hanh with Ms. Ho Thi Xuan as Head of Supervisory Board
- Dismissed Board members Mr. Nguyen Van Thanh, Mr. Le Van Nam, and Mr. Vu Van Tuan (effective from 08/01/2024)
- Appointed Ms. Nguyen Thi Hong Hanh, Mr. Le Van Luyen, and Mr. Nguyen Khanh Duy as new Board members (effective from 08/01/2024)

#### **1.3 Implementation of GMS Resolutions**

The BOD strictly implemented the GMS-approved tasks in 2024:

##### **Business Activities:**

- Reviewed and approved quarterly business performance reports;
- Held regular meetings to evaluate quarterly results and directed timely improvements.



### Investment Activities:

Investment projects executed in 2024 as approved by the GMS:

No.	Investment Item	Value (VND)
1	DMA setup & water loss reduction	1.683.116.976
2	Water network upgrade in Pleiku	3.392.952.065
3	Meter replacement	912.441.191
4	Fence for Bien Ho Plant & Booster Station	610.481.482
5	Ia Rbol Water Plant Renovation	29.286.111
	<b>Total</b>	<b>6.628.277.825</b>

### 1.4 Evaluation of the Board of Mangament's Performance

The Board of Mangament has operated in accordance with its defined functions, duties, and authority, and has strictly implemented the plans approved by the General Meeting of Shareholders. The Company's General Director and The Board of Mangament effectively carried out the Resolutions and Decisions issued by the GMS and the Board of Directors. The General Director closely monitored business operations and made appropriate adjustments in managing production and business activities to address timely challenges and issues.

The Board of Mangament collaborated with the vertical sectors of DNPW to implement comprehensive digital transformation and apply information technology in production management and customer management..

The Board of Mangament recognized the company's advantages and challenges, remaining flexible in managing daily business activities, and issuing documents within its authority to guide the company's production and business operations while effectively controlling risks. The Board also reported to the Board of Directors to ensure compliance with legal regulations and the company's charter..

### 2. BOD Remuneration in 2024

#### Board of Directors' Remuneration in 2024

No.	Position	Approved Monthly Remuneration	Paid in 2024	Note
1	Chairman of the BOD	VND 5.000.000	VND 5.000.000	
2	BOD Member	VND 3.000.000	VND 3.000.000	

### III. BUSINESS PLAN FOR 2025

In 2025, the company will continue to focus its resources on customer growth, increasing water revenue, and reducing losses. We aim to optimize costs, enhance employee income, and increase profits for the company.

#### 1. Key Targets

##### 1.1 Business Targets

No	Indicator	Unit	2025 Plan	2024 Actual	% Growth
1	Revenue	Billion VND	81.29	74.55	109.05%
1.1	Water supply revenue		69.30	64.84	106.88%
1.2	Construction revenue		7.95	6.99	113.75%
1.3	Water system relocation		2.50	0.83	299.78%
1.4	Financial income		0.90	1.27	70.86%
1.5	Other revenue		0.63	0.60	104.45%
2	Profit before tax	Billion VND	17.15	15.68	109.41%
3	Profit after tax	Billion VND	13.67	12.44	109.89%
4	Net profit margin	%	17.70%	17.32%	102.18%
5	Dividends		To be decided by 2026 GMS		

## 1.2 Investment Plan

No	Item	Value (VND)
1	Meter replacement	1.800.000.000
2	Relocate meters from yards to streets	2.200.000.000
3	Pipe replacement in Pleiku and Ayunpa	4.000.000.000
4	Water network expansion	12.300.000.000
5	DMA setup & water loss reduction	4.700.000.000
6	Pipe replacement in Pleiku (managed by BQL)	2.500.000.000
7	Paint Bien Ho Plant & repair tanks	800.000.000
8	Network expansion in Dak Doa	10.440.000.000
<b>Total</b>		<b>38.740.000.000</b>

## 2. Implementation Solutions

- Prioritize water network expansion
- Invest in DMA setup and water loss control
- Finalize 3P salary system and performance-based policies
- Complete digital transformation by 2025
- Coordinate with the Department of Finance to propose water price adjustment to Gia Lai People's Committee

The following is the Report of the Board of Directors on its 2024 performance; the Company's 2024 business results; and the 2025 business plan, respectfully submitted to the General Meeting of Shareholders for approval.

On behalf of the Board of Directors  
Chairman

  
PHAM NGOC TIEN