



BAC GIANG CLEAN WATER JOINT STOCK COMPANY







# ANNUAL REPORT

2025







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## **GENERAL INFORMATION**

### **1. GENERAL INFORMATION**

- Trading Name: Bac Giang Clean Water Joint Stock Company
- Business Registration Certificate No.: 2400126106
- Charter capital: VND 181,494,460,000
- Owner's capital: VND 181,494,460,000
- Address: No. 386, Xuong Giang Street, Bac Giang Ward, Bac Ninh Province
- Telephone: 0204 3855757
- Website: Bacgiangwsc.com.vn
- Securities code: BGW

#### **\* Establishment and development history:**

- |      |   |
|------|---|
| 1976 | Establishment of Unit 76 Construction under Ha Bac Province Construction Company.   |
| 1978 | Establishment of Ha Bac Electricity and Water Enterprise based on the separation of independent operations from Unit 76 Construction. |
| 1993 | Ha Bac Electricity and Water Enterprise was converted into Ha Bac Water Supply and Drainage Company.                                  |
| 1997 | Bac Giang Water Supply and Drainage Company was established based on the provincial separation.                                       |
| 2005 | Transitioned to a new operating model and renamed Bac Giang Water Supply and Drainage One Member Limited Liability Company.           |
| 2014 | Establishment of Doi Ngo – Luc Nam Water Supply Enterprise.   |
| 2015 | Transitioned to a new operating model and renamed Bac Giang Clean Water Joint Stock Company.  |
| 2023 | Establishment of the Construction Enterprise Branch.  |



## 2. BUSINESS LINES AND LOCATIONS.

### \* Business lines:

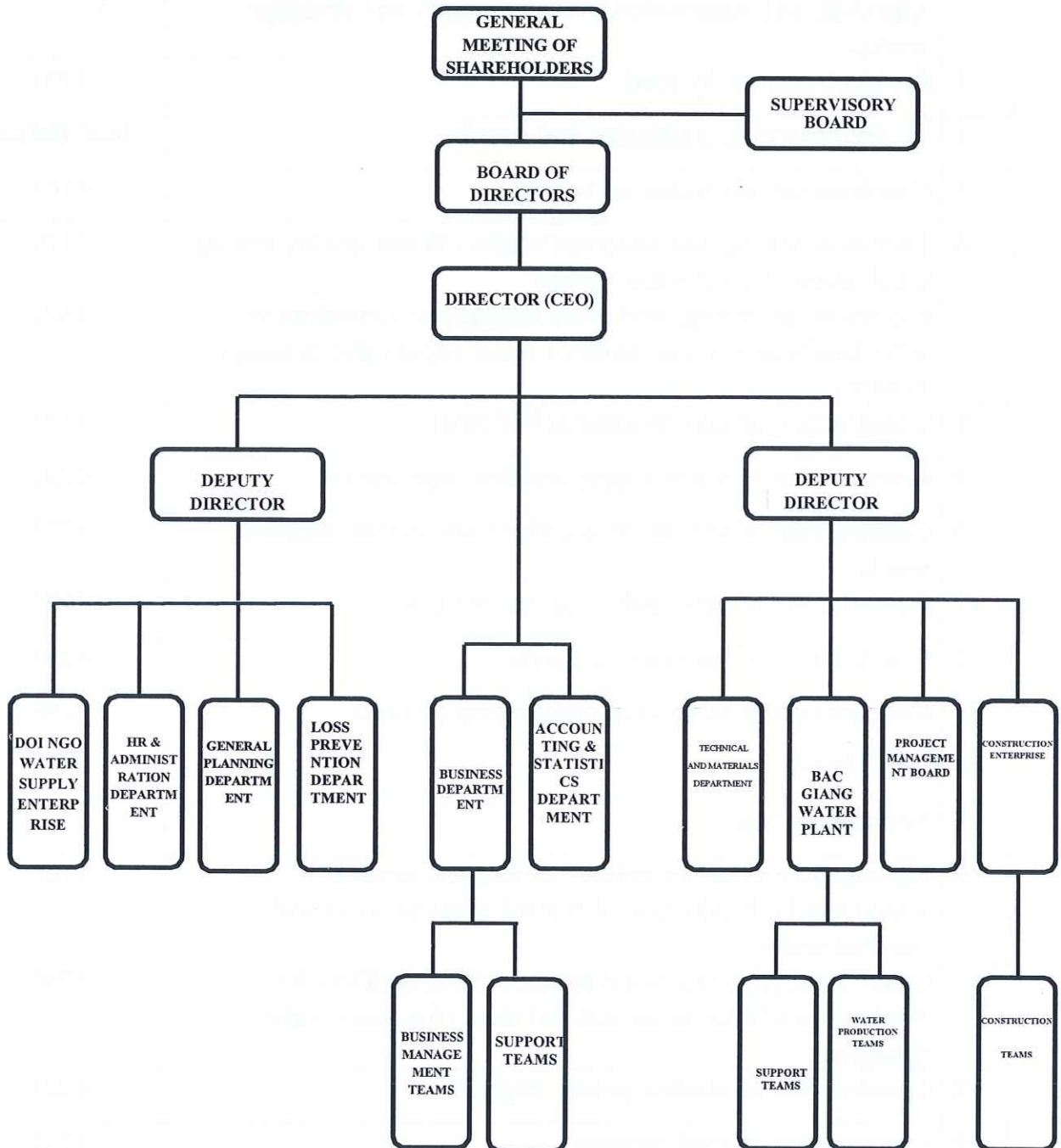
No.	Business Line	Code
1	Wholesale of other construction materials and installation equipment Details: Business of materials and equipment for water supply and drainage systems.	4663
2	Architectural activities and related technical consultancy Details: Project formulation consultancy, design, appraisal, and supervision of water supply and drainage works.	7110
3	Freight transport by road	4933
4	Water collection, treatment, and supply	3600 (Main)
5	Construction of residential buildings	4101
6	Technical testing and analysis Details:- Water quality testing- Calibration of cold water meters	7120
7	Electrical, plumbing, and other construction installation activities Details: Installation of water supply and drainage systems.	4322
8	Construction of non-residential buildings	4102
9	Construction of water supply and drainage works	4222
10	Construction of telecommunications and communication works	4223
11	Construction of other public utility projects	4229
12	Construction of waterway projects	4291
13	Construction of other civil engineering projects	4299
14	Demolition	4311
15	Site preparation	4312
16	Manufacture of non-alcoholic beverages, mineral water Details: Production of bottled mineral water and purified water.	1104
17	Other manufacturing not elsewhere classified Details: Production of aluminum sulfate (alum) for clean water treatment.	3290
18	Construction of electric power projects	4221
19	Construction of road projects	4212

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### 3. GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

Bac Giang Clean Water Joint Stock Company is organized and operates in accordance with the Law on Enterprises No. 59/2020/QH14, enacted by the National Assembly of the Socialist Republic of Vietnam on June 17th, 2020. The Company's operations comply with the Law on Enterprises, other relevant laws, and the Company's Charter on Organization and Operation.

#### \* Governance model



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**\* Management structure:**

**General Meeting of Shareholders**

The General Meeting of Shareholders, comprising all shareholders with voting rights, is the highest governing body of the Company. It has the authority to decide on matters as prescribed by law and the Company's Charter. The General Meeting of Shareholders is responsible for electing the Board of Directors and the Supervisory Board.

**Supervisory Board**

Acting on behalf of the shareholders, the Supervisory Board oversees all governance and business operations of the Company. It is accountable to the General Meeting of Shareholders and the law for performing its duties and responsibilities, as stipulated by its rights and obligations, such as:

- Inspect the Company's accounting records and financial statements, ensuring the legality and appropriateness of its business and financial activities, as well as compliance with the resolutions and decisions of the Board of Directors.
- Submit to the General Meeting of Shareholders an audit report on the Company's financial statements while having the right to present independent opinions on the audit results concerning business operations, the activities of the Board of Directors, and the Executive Board.
- Request the Board of Directors to convene an extraordinary General Meeting of Shareholders when deemed necessary.

**• Director (CEO)**

The CEO is responsible for managing the Company's daily business operations under the supervision of the Board of Directors. The CEO is accountable to the Board of Directors and the law for the execution of assigned rights and responsibilities.

**Deputy Director (Deputy CEO)**

The Deputy CEO assists the CEO in carrying out assigned tasks and is responsible for the areas delegated by the CEO. The Deputy CEO is accountable to the CEO and the law for the assigned and authorized duties. In the CEO's absence, one Deputy CEO may be authorized to oversee the Company's overall operations and will be responsible to the Chairman of the Board and the CEO for decisions made during that period.

**Departments & Divisions**

**• HR & Administration Department**

This department advises and supports the Chairman and CEO in structuring the Company's organizational framework and optimizing human resource



allocation to meet business and operational demands. It oversees corporate administration, ensures security and order, and protects Company assets. Additionally, it manages workforce administration, enforces labor policies, and ensures full compliance with employee benefits and welfare regulations. The department is also responsible for developing and implementing payroll systems, additional income policies, and employee recruitment standards.

- **General Planning Department**

This department advises and supports the Chairman and CEO in formulating the Company's short-term and long-term business plans. It is responsible for organizing, monitoring, and ensuring compliance with the Company's internal regulations and policies.

- **Accounting & Statistics Department**

This department assists the Chairman and CEO in ensuring compliance with government regulations on finance and accounting. It is responsible for preparing financial statements, managing revenues and expenditures, and overseeing the Company's assets and materials. Additionally, it advises the CEO on the effective management and utilization of capital and assets in business operations and administers the allocation of funds in accordance with state regulations.

- **Business Department**

This department is responsible for managing the entire water supply network to ensure safe and efficient operations. It also oversees customer management and organizes clean water service operations to achieve optimal performance.

- **Technical & Materials Department**

This department advises and supports the Chairman and CEO in developing and implementing technical processes and standards to enhance operational efficiency. It manages the water supply system, machinery, and equipment while coordinating with the plant for maintenance and repairs as scheduled. Additionally, it oversees the technical aspects of construction projects in compliance with the Construction Law, Bidding Law, and other relevant regulations. The department is also responsible for supplying materials to the plant and construction sites, as well as managing the Construction Enterprise and execution teams..

- **Loss Prevention Department.**

This department is responsible for detecting, analyzing, and assessing potential pipeline leaks and implementing measures to prevent water loss within the distribution system. It monitors and controls the leakage rate across the transmission network.

Additionally, it handles the inspection, repair, and sealing of water meters as requested by the Business Department. It is also responsible for relocating both

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individual and network-based meters, inspecting newly acquired meters before use, and ensuring the accuracy of all meters in the water supply system in compliance with national metrology regulations. Furthermore, the department conducts maintenance and repairs on valves with a diameter of 80mm or larger.

- **Bac Giang Water Plant**

The plant is responsible for producing clean water that meets quality standards to ensure adequate supply for customers. It conducts maintenance and repairs on equipment, the clean water production system, and water meters in accordance with manufacturer guidelines. Additionally, it provides mechanical processing services to support the Company's operations.

- **Doi Ngo Water Supply Enterprise**

This enterprise is responsible for managing and operating the entire water supply system in Doi Ngo Town. It oversees all assets and ensures the safety of materials and equipment at the water treatment facility and Pump Station I.

Operations are conducted in strict compliance with production processes, with well-organized shifts and accurate handovers. The enterprise maintains industrial hygiene and a clean environment while ensuring the safe operation of machinery and implementing fire and explosion prevention measures. It also manages the storage of chemicals and spare materials for production needs.

Additionally, the enterprise carries out regular maintenance and repairs on the entire clean water production system. It is responsible for customer management, record-keeping, meter reading, and collecting water fees, which are deposited into the Company's designated accounts as per regulations.

- **Construction Enterprise.**

This enterprise is responsible for executing tasks assigned by the Company through labor contracts with designated teams. Its scope of work includes installing additional water meters, installing new pipelines, replacing and repairing existing water supply pipelines, and carrying out other construction tasks as assigned by the Company.

- **Project Management Board**

This board oversees projects in which the Company is the investor, ensuring compliance with the Construction Law. It is responsible for executing project investments in accordance with the Construction Law, Bidding Law, and related regulations. Additionally, it assumes full legal responsibility for all project activities.

- \* **Subsidiaries & Affiliates.**

Currently, Bac Giang Clean Water Joint Stock Company has no subsidiaries, affiliates, or joint ventures.

#### **4. DEVELOPMENT ORIENTATION.**

The investment plan and business operations of Bac Giang Clean Water Joint Stock Company are determined by the General Meeting of Shareholders. Leveraging the Company's existing advantages and considering market forecasts and future demand in Bac Giang province, the Company has outlined the following key business development directions::

##### **\* Planning Basis.**

Based on Resolution No. 202/2025/QH15 dated June 12th, 2025, regarding the arrangement of provincial-level administrative units; and Resolution No. 1658/NQ-UBTVQH15 dated June 16th, 2025, regarding the arrangement of commune-level administrative units of Bac Ninh Province in 2025.

Based on the Company's business performance in previous years.

Based on the Company's business performance in 2025

##### **\* Development Objectives.**

The Company strives to achieve continuous growth and expansion, aiming to take over the management of additional water supply facilities in urban areas across the province.

It is committed to operating efficiently in both financial and socio-economic aspects while improving the living standards of its employees. The Company aligns its development objectives with the advancement of urban water supply systems within the province.

Capital is preserved and expanded, with dividends increasing annually.

##### **\* Development Strategy**

Ensure compliance with the directives of the Provincial People's Committee and relevant regulatory authorities in water supply management, maintaining stability in the Company's operations post-equitization.

Ensure water supply meets current regulations and standards while fulfilling the water usage needs of residents in areas under the Company's water supply network management.

Build a unified and cohesive team of officers and employees to successfully achieve the assigned targets and plans.

Expand business activities and markets to increase the company's revenue and profitability.

#### **5. RISKS.**

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### **\* Economic Risks**

The development of the economy impacts all sectors, industries, and entities, including Bac Giang Clean Water Joint Stock Company. Risks arise from fluctuations in key macroeconomic indicators such as GDP growth rate, inflation, interest rates, and exchange rates...

### **\* Legal Risks**

Legal risks are systemic and impact various aspects of society, including the water industry. Any changes in government policies inevitably affect the Company's operations.

Currently, the Company faces risks associated with operating under Vietnam's evolving legal framework, which remains inconsistent, complex, and sometimes overlapping. As Vietnam continues its development, its legal system is still undergoing significant revisions. Changes in policies and regulations will naturally impact the Company's business activities. However, legal risks affect the entire system, requiring businesses to adapt and adjust to maximize profitability.

### **\* Environmental Risks**

As the Company's core activity involves water extraction and supply, its operations inevitably have some environmental impact on areas surrounding its facilities. Additionally, the quality of the water supplied directly affects public health and daily life.

The Company is fully aware of its environmental responsibilities and takes proactive measures, including regular water quality inspections, proper storage of water treatment chemicals, and enhanced monitoring to minimize water loss risks.

Furthermore, the Company continuously invests in and applies new technologies in production to reduce pollution risks. It also maintains strict control and assessment of its operations' environmental impact.

The applied technology system is regularly maintained to ensure that machinery remains in optimal working condition, delivering clean water to customers efficiently.

### **\* Risks Related to the Water Distribution Network.**

For a company engaged in water extraction and supply, the risk of water loss is a primary concern. The most significant risks include pipeline leaks and damages, which result in water loss, impacting both customers' water supply and the company's business operations. Given the extensive distribution network, monitoring and control efforts face considerable challenges. Additionally, some individuals fail to comply with regulations, engaging in fraudulent activities such as tampering with water meters, leading to substantial losses. To address these issues, the company's Water Loss Prevention Department regularly inspects and

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reviews the water supply system to mitigate potential risks. Furthermore, the company has a structured plan for repairing and upgrading pipelines, constructing fences, and building security facilities for pumping stations and booster stations. Increased monitoring and supervision efforts are also implemented to detect and prevent fraudulent activities among households and production facilities to minimize water loss. on efforts are also implemented to detect and prevent fraudulent activities among households and production facilities to minimize water loss.

**\* Other Risks.**

Other risks, such as war, natural disasters, fires, and pandemics, are force majeure events. Although rare, their occurrence can cause significant damage to assets, human resources, and the company's overall operations. While these risks cannot be entirely eliminated, they can be mitigated.

Therefore, the company closely monitors and assesses relevant information to implement timely preventive and response measures. Additionally, it strictly adheres to regulations and regularly conducts training on fire prevention, occupational safety, and emergency response to ensure effective fire protection and workplace safety management.

## **II. OPERATING PERFORMANCE IN 2025.**

### **1. BUSINESS PERFORMANCE:**

In 2025, the Board of Directors focused on drastic leadership and ensured adequate resources to successfully achieve the targets approved by the General Meeting of Shareholders. Specifically:

- Annual Business Results: Revenue and output volumes consistently increased; capital resources were secured; the Company operated profitably and fulfilled dividend payments to shareholders

- Investment projects and procurement packages strictly complied with legal regulations (verified by annual inspections, examinations, and audits). These activities have consistently enhanced production and business efficiency.

- Employee income grew steadily year-over-year, ranking the Company among the top enterprises in the province for competitive wages. Policies and benefits for employees, as well as obligations to the State, were fully and promptly implemented.

- The organizational model of Water Management Units was restructured to align with practical conditions following the reorganization of commune-level administrative units in Bac Ninh Province.

**\* Performance versus plan.**

**• Water Supply Area of the Water Treatment Plant.**

No.	Indicator	Unit	Plan	Actual	Variance (%)
1	Water Revenue	VND Billion	193	193.281	100.15%
2	Commercial Water (Consumption)	Million m3	16.500	15.679	95.02%
3	Technical Water Loss	%	1.5	1.34	- 0.16%
	Network Water Loss	%	10.55	11	+ 0.45%
4	Customer Development	Connections	1,800	1,541	85.61%

**• Water Supply Area of the Doi Ngo Water Supply Enterprise.**

No.	Indicator	Unit	Plan	Actual	Variance (%)
1	Water Revenue	VND Billion	7.500	8.976	119.68%
2	Commercial Water (Consumption)	Thousand m3	770	949	123.25%
3	Technical Water Loss	%	3	03.08	+ 0.08%
	Network Water Loss	%	12	10.83	- 1.17%
4	Customer Development	Connections	1	1,767	176.7%

**• 2025 financial indicators.**

No.	Indicator	Unit	Plan	Actual	Variance (%)
1	Total Revenue and Other Income	VND Billion	195	200.25	102.69%
2	Profit Before Tax	VND Billion	17.5	21.928	125.3%
3	Profit After Tax	VND Billion	14	16.344	116.7%
4	Statutory Obligations (Taxation)	VND Billion	19	27.216	143.48%
5	Social Insurance Contributions	VND Billion	7.3	7.978	109.29%
6	Average Monthly Income	VND Million	11.5	12.5	108.7%
7	Dividend	VND	695	810	116.5%

## **2. ORGANIZATION AND HUMAN RESOURCE**

### **2.1. List of the Board of Directors and the Board of Management.**

**\* Board of Directors**

Number of Board Members: The Board of Directors consists of five (05) members.

Term of Office: The term of office for members of the Board of Directors is five (05) years (Term 2021–2026).

**• Mr. Huong Xuan Cong - Chairman of the Board of Directors**

- Date of birth: March 28th, 1969
- Professional Qualification: Master's degree in Construction..

**Career history:**

- From 08/1993 to 12/1996: Technician, Technical - Materials Department, Ha Bac Water Supply and Drainage Company

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- From 01/1997 to 05/2005: Head of Technical - Materials Department, Ha Bac Water Supply and Drainage Company
- From 05/2005 to 10/2011: Deputy Director, Bac Giang Water Supply One Member Limited Liability Company
- From 10/2011 to 11/2015: Chairman and Director, Bac Giang Water Supply One Member Limited Liability Company
- From 11/2015 to 04/2017: Chairman of the Board and Director, Bac Giang Clean Water Joint Stock Company
- From 05/2017 to present: Chairman of the Board, Bac Giang Clean Water Joint Stock Company

**Total Shares Owned:** 9,491,249 shares, accounting for 52.294% of the Charter Capital

- Ownership representation: 9,256,249 shares, accounting for 51% of the Charter Capital
- Personal ownership: 235,000 shares, accounting for 1.294% of the Charter Capital
- **Mr. Tran Dang Dieu** - Member of the Board of Directors, Director (CEO)
- Date of birth: May 20<sup>th</sup>, 1972
- Professional Qualification: Master's in Economic Management

**Career history:**

- From 10/1995 to 12/2002: Technical Officer, Bac Giang Water Supply and Drainage Company
- From 01/2003 to 02/2005: Deputy Head of the Technical Department, Bac Giang Water Supply and Drainage Company
- From 03/2005 to 11/2011: Head of the Technical Department, Bac Giang Water Supply and Drainage Single Member Limited Liability Company
- From 12/2011 to 11/2015: Deputy Director, Bac Giang Water Supply and Drainage Single Member Limited Liability Company
- From 12/2015 to 04/2017: Deputy Director, Bac Giang Clean Water Joint Stock Company
- From 05/2017 to Present: Director, Bac Giang Clean Water Joint Stock Company

**Total Shares Owned:** 100,100 shares, accounting for 0.55% of the Charter Capital

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- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 100,100 shares, accounting for 0.55% of the Charter Capital

- **Mr. Bui Vinh Bac** - Member of the Board of Directors, Deputy Director of the Company

- Date of Birth: April 25th, 1984

- Professional Qualification: Master's degree in Water Supply and Sewerage Engineering

**Career history:**

- From 07/2009 to 04/2012: Staff of the Planning – Technical Department, Thuy Loi Construction and Installation Joint Stock Company.
- From 05/2012 to 12/2015: Staff of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company.
- From 01/2016 to 12/2017: Deputy Head of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company
- From 01/2018 to 05/2022: Head of the Technical – Materials Department, Bac Giang Clean Water Joint Stock Company.
- From 06/2022 to Present: Deputy Director, Bac Giang Clean Water Joint Stock Company.

**Total Shares Owned:** 79,400 shares, accounting for 0.437 % of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 79,400 shares, accounting for 0.437% of the Charter Capital

- **Mrs. Nguyen Thi Phuong Thao** - Member of the Board of Directors, Chief Accountant.

- Date of Birth: April 16th, 1977

- Professional Qualification: Bachelor's degree in Economics

**Career history:**

- From 1999 to 2000: Worked at Phu Thai Co., Ltd., Hanoi
- From 2001 to Present: Working in the Accounting Department, Bac Giang Clean Water Joint Stock Company.

**Total Shares Owned:** 105,000 shares, accounting for 0.578% of the Charter Capital

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- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 105,000 shares, accounting for 0.578% of the Charter Capital

• **Mr: Nguyen Trong Hieu** - Member of the Board of Directors.

- Date of Birth: December 1st, 1973
- Professional Qualification: Doctorate in Business Administration

**\* Career history:**

- From 2019 to Present: Chairman of the Board of Directors, DNP Hawaco Joint Stock Company.
- From 2021 to Present: Chairman of the Board of Directors, Hung Yen Clean Water Joint Stock Company.
- From 2022 to Present: Member of the Board of Directors, Son La Water Supply Joint Stock Company.
- From 2023 to Present: Member of the Board of Directors, Thua Thien Hue Water Supply Joint Stock Company.
- From 2024 to Present: Member of the Board of Directors, Bac Giang Clean Water Joint Stock Company.

**Total Shares Owned:** 0 shares, accounting for 0% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 0 shares, accounting for 0% of the Charter Capital

**\* Supervisory board**

Number of Board Members: The Supervisory Board consists of three (03) members.

Term of Office: The term of office for members of the Supervisory Board is five (05) years (Term 2021–2026).

• **Mrs. Nguyen Thi Thanh Thuy** - Head of the Supervisory Board.

- Date of Birth: June 13th, 1977
- Professional Qualification: Bachelor's degree in Economics

**Career history:**

- From 01/01/2003 to 30/3/2013: Worked in the Organization – Administration Department, Bac Giang Clean Water Joint Stock Company.
- From 01/4/2013 to Present: Working in the Business Department, Bac Giang Clean Water Joint Stock Company.



**Total Shares Owned:** 35,000 shares, accounting for 0.19% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 35.000 shares, accounting for 0.19% of the Charter Capital
- **Mrs. Vu Thi Thuy** - Member of the Supervisory Board
  - Date of Birth: October 12th, 1981
  - Professional Qualification: Bachelor's degree in Management Science.

**Career history:**

- From April 2002 to Present: Working at Bac Giang Clean Water Joint Stock Company

**Total Shares Owned:** 40,000 shares, accounting for 0.220% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital
- Personal ownership: 40,000 shares, accounting for 0.220% of the Charter Capital
- **Mr: Trinh Kien** - Member of the Supervisory Board
  - Date of Birth: December 18th, 1979
  - Professional Qualification: Bachelor's degree in Economics – Major in Accounting

**\* Career history:**

- From 2018 to Present: Member of the Board of Directors, DNP Hawaco Joint Stock Company.

- From 2023 to Present:

Chairman of the Board of Directors, Dong Nai Plastic Joint Stock Company.

Member of the Board of Directors, Ninh Hoa Urban Joint Stock Company (JSC)

Chairman of the Board of Directors, CMC Joint Stock Company (JSC)

Chairman of the Board of Directors, DNP Production and Trading Joint Stock Company (JSC)

- From 2024 to Present: Member of the Supervisory Board, Bac Giang Clean Water Joint Stock Company.

**Total Shares Owned:** 0 shares, accounting for 0% of the Charter Capital

- Ownership representation: 0 shares, accounting for 0% of the Charter Capital

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- Personal ownership: 0 shares, accounting for 0% of the Charter Capital

## **2.2. Total Personnel**

As of December 31st, 2025, the total number of employees is 267

- Pursuant to the salary regime prescribed by the State.

- Pursuant to labor laws, business plans, and the specific operational status of the Company, a suitable salary and bonus regime shall be implemented to incentivize the workforce while ensuring the financial requirements of all employees are met.

- The Company's specific Salary Fund plan shall be decided by the Board of Directors, based on proposals from the Board of Management in accordance with current regulations.

- The Company fully implements policies for employees in accordance with legal regulations, the Collective Labor Agreement, and internal Company policies:

+ Salary and Bonus Payments: Executed according to the Company's Salary and Bonus Regulations, based on performance levels and job complexity.

+ Insurance Obligations: Full contributions for Social Insurance, Health Insurance, and Unemployment Insurance are made for employees in compliance with State policies.

## **3. INVESTMENT AND PROJECT IMPLEMENTATION.**

### **a) Major Investments.**

Aligned with the Company's overall objectives and the urban and economic development trends of Bac Ninh Province, the Board of Executives established an investment plan valued at VND 18.55 billion.

Results: The actual investment reached VND 18.71 billion, achieving 101% of the annual target.

<b>Investment Project / Activity</b>	<b>Value (VND Billion)</b>
- Renovation of Luc Nam Raw Water Pumping Station	0.705
- Construction of the Ngoc Ly Commune Water Supply System	1.41
- Construction of the Water Supply System for Tam Di and Tien Nha Communes	8.56
- Meter replacement and network zoning for water loss assessment	4.11
- Renovation, upgrading, and repair of pipeline networks	2.68
- Renovation of the Treatment Area and Booster Pumping Station at the Water Treatment Plant	0.623
- Construction of Office 1	0.632

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All construction items have met technical standards and project schedules. The completed works effectively demonstrate investment efficiency, while the procurement of materials and goods has strictly complied with State regulations.

**b) Subsidiaries and Affiliated Companies: None**

#### **4. SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY.**

**a) Shares**

Bac Giang Clean Water Joint Stock Company has issued 18,149,446 shares.,

*Of which:* Common Shares: 18,149,446 shares  
Preferred Shares: 0 shares  
Outstanding Shares: 18,149,446 shares  
Treasury Shares: 0 shares  
Par Value: 10,000 VND/share

**b) Shareholders structure.**

Shareholder Group	Number of Shareholders	Number of Shares	Ownership Percentage (%)
State-owned Shareholders	01	9,256,249	51.00%
Institutional Shareholders	01	4,535,500	24.99%
Individual Shareholders	265	4,357,697	24.01
<b>Total</b>	<b>267</b>	<b>18,149,446</b>	<b>100.00%</b>

*(As per the shareholder list finalized on December 31st, 2025, by the Vietnam Securities Deposition and Clearing Corporation - VSDC)*

**List of major shareholders:**

Name of Organization/Individual	Business Registration No.	Address
Bac Ninh Provincial People's Committee		No. 82 Hung Vuong St., Bac Giang Ward, Bac Ninh Province
DNP Hawaco Joint Stock Company	0108859703	No. 25 Ly Thuong Kiet St., Cua Nam Ward, Hoan Kiem District, Hanoi City

### **III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS**

#### **1. ASSESSMENT OF BUSINESS AND PRODUCTION PERFORMANCE.**

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**a) Achievements:**

**\* Leadership and Directive Implementation:**

In 2025, the Executive Board directed specialized departments to develop programs, plans, and business production targets in a practical and effective manner. Specifically: The Company utilized two water supply sources integrated into the general water supply network system, ensuring sufficient pressure to deliver water to all customers. Currently, 100% of customers utilize water directly from the system without the need for booster pumps.

The Executive Board directed business and production activities to ensure efficiency across three core pillars: clean water production, clean water trading, and the expansion of the water supply network.

The Company strictly complied with directives and regulations issued by the Government, relevant Ministries, the Provincial Party Committee, and the Provincial People's Committee.

The Executive Board supervised the drafting and submission of Internal Management Regulations to the Board of Directors for issuance, ensuring alignment with the Company's operational conditions.

Investments were made in infrastructure for Management Teams, as well as machinery and equipment to ensure rapid and timely construction. Furthermore, leak detection controls were implemented across the water supply network to minimize water loss rates.

The Executive Board organized review conferences to evaluate business production performance, customer development, and investment activities. These sessions focused on solutions for loss prevention and revenue protection, assessing the replacement of low-quality pipelines, the installation of master meters, the replacement of customer meters, and network management and operation. During these reviews, business targets were evaluated, and communication efforts were made to raise employee awareness regarding corporate challenges. This encouraged labor productivity, cost reduction, and the establishment of strategic solutions to achieve business targets for the final six months of the year.

**Leadership and Coordination between Management and Labor Unions:** In parallel with business operations, the Board of Directors and the Executive Board consistently facilitated labor union activities to ensure employee benefits. By prioritizing the welfare of staff and employees, the Company fostered internal solidarity and a collective commitment to achieving the business production plan approved by the General Meeting of Shareholders.

**\* Clean Water Production:**



Recognizing that the Company's top priority is to organize effective business operations to ensure stability, sustainability, and growth, all production processes and procedures are strictly implemented. These processes are conducted under close supervision and frequent inspections by the assigned management team, factory supervisors, shift leaders, and team leaders. The Bac Giang Water Plant and the Doi Ngo Water Supply Enterprise must consistently meet three key criteria: quality, flow rate, and pressure.

Throughout the past year, the Bac Giang Water Plant and the Doi Ngo Clean Water Enterprise consistently adhered to standard operating procedures and production regulations. Consequently, 100% of water samples monitored and evaluated by the Bac Ninh Center for Disease Control (CDC) No. 1 and the Institute of Energy and Environmental Technology (IEET) met the National Technical Regulation QCVN 01-1:2024/BYT and the Local Technical Regulation QCĐP 01:2021/BN for domestic water quality. Furthermore, the Department of Health approved the Declaration of Conformity dossiers for water quality for both the Bac Giang Water Plant and the Doi Ngo Clean Water Enterprise

To ensure a sufficient and timely water supply for its customers, the Doi Ngo Industrial Water Enterprise has transitioned to a continuous 24/7 water supply service

Flushing of the pipelines from the Treatment Area to the Booster Pump Station was conducted using the foam pigging method; sludge removal and industrial cleaning were performed across all areas of the Plant. Furthermore, a regular and strict maintenance schedule for machinery and equipment was implemented, ensuring all incidents were addressed promptly to maintain the water supply system's safety and maximum operational efficiency.

Proactively manage operations by reducing output during peak hours and periods of abnormal raw water quality fluctuations to optimize electricity costs and ensure safe, effective water treatment. Adjust pumping pressure based on weather conditions and consumption demand throughout the day to reduce energy expenses, minimize excess network pressure, and decrease water loss for the Company

Standard operating procedures are strictly followed when integrating two water sources into the joint supply network. Furthermore, the Company continuously monitors the quality of water supplied by DNP-Bac Giang Company into the network in accordance with established regulations.



Compliance with the "Safe Water Supply Manual" is strictly maintained to prevent, minimize, and mitigate hazards and incidents throughout the production and supply process. This commitment ensures the delivery of safe, clean water to customers, ultimately enhancing the quality of life for the community.

**\* Clean Water Business Operations:**

The Company has provided water supply services to 100% of the residents in Bac Giang and Da Mai wards. Coverage also extends to portions of the following wards and communes: Tan Tien, Tan An, Tien Phong, Viet Yen, Nenh, Tan Yen, My Thai, Tan Dinh, Dinh Tram Industrial Park, and the northern section of Song Khe Industrial Park; as well as Luc Nam and Bao Dai communes (following the administrative restructuring of Bac Ninh province). The Company continues to expand the water supply network of the Doi Ngo Enterprise under the project: "Expansion of Water Supply for Tam Di and Tien Nha Communes, Luc Nam District," which was developed by the Board of Executives and approved by the General Meeting of Shareholders

As of December, the Company manages a total of 77,479 connections. Customer service has been prioritized through various solutions, such as: streamlined and rapid procedures for new meter installations; proactive customer communication via Zalo and SMS; and water bill payments via bank accounts and the ViettelPay system. To date, the rate of non-cash payments has reached 95%, alongside the implementation of electronic invoicing. Customer inquiries and complaints are resolved promptly via the *"Customer Care Hotline - 1900272782."*

The Company has implemented water supply zoning for its two water sources to ensure flow and quality across all regions, specifically improving supply to remote areas and those with low water pressure.

The organizational structure of the Water Management Teams is being adjusted to align with actual conditions following the administrative restructuring of communal units in Bac Ninh province.

The Company maintains close coordination between the Loss Prevention Department and the Technical & Materials Department to ensure the timely update of new connection points and service areas into the water supply system diagrams via AutoCAD and Ek software. This ensures precise location identification in the event of technical incidents.



The Company ensures the timely detection and repair of incidents within 24 hours to meet customer demand and address feedback promptly. In coordination with the Loss Prevention Department, master meters have been installed to monitor network loss rates, enabling the identification and analysis of causes for water loss within the supply network.

Effective collaboration is maintained with Construction and Installation Teams for network renovation and customer base expansion. The Company also coordinates with local authorities during the upgrading of roads, alleys, and sidewalks to promptly replace low-quality pipelines or relocate pipes from other projects that are poorly positioned for management and maintenance.

The Company performs regular pipeline cleaning using the "foam pigging" method to ensure hygiene and water quality safety. To date, 100% of pipelines with a diameter of D100 or larger have been cleaned.

Finally, the Company continues to strengthen network management, focusing on the rapid detection and repair of leakages to satisfy customer demand. Management of meters and network valves has been intensified, with a strict emphasis on accurate index reading and the timely, compliant deposit of monthly revenues into bank accounts and company funds.

**\* Water Loss Prevention Efforts:**

Water loss remains a significant challenge for water supply projects nationwide. Therefore, the Company has made substantial investments in loss prevention initiatives, prioritizing digital transformation to gradually replace manual processes. Data is now aggregated and analyzed using specialized software, yielding practical benefits such as: Major pipelines have been equipped with smart bulk meters, which provide accurate daily readings and automatically update a shared Company database, enabling prompt identification and resolution of issues; Advanced data filtering techniques allow the Company to track customer water usage history, identify irregularities, and conduct targeted inspections and monitoring.

**\* Implementation of Employee Welfare Policies:**

The Company places great emphasis on salary, bonus policies, and employee benefits. Workforce allocation has been managed efficiently to ensure that 100% of employees have stable and regular employment with secure incomes. Salary policies have been implemented in compliance with Decree 74/2024/ND-CP,

which regulates regional minimum wages. In 2025, the Company's average income per employee reached VND 12.5 million per month. Salaries have been paid in full and on time, with no outstanding wage obligations. The Company has fully contributed to social insurance for all employees, with a total payment of VND 7.978 billion in 2025.

Successfully implemented the new salary scale transition for all Company employees; processed salary and grade increments for 54 individuals in 2025; and approved salary and grade increments for 54 individuals for 2026, ensuring full compliance with scheduled timelines and statutory regulations.

Thực hiện công tác thi đua khen thưởng, bình xét các danh hiệu thi đua hàng năm đúng thời hạn, đảm bảo tính công bằng, minh bạch.

Emulation and Rewarding activities, as well as the annual performance review for commendation titles, were conducted on schedule, ensuring fairness and transparency.

Office uniforms were provided to 100% of the Company's employees; Personal Protective Equipment was distributed to relevant departments in accordance with safety regulations.

The working environment is continuously invested in, ensuring the best possible conditions for all employees.

**\* Investment Activities:**

Aligned with the Company's overall objectives and the urban and economic development trends of Bac Ninh Province, the Board of Executives established an investment plan valued at VND 18.55 billion.

**Results:** The actual investment reached VND 18.71 billion, achieving 101% of the annual target.

**b) Challenges & Existing Limitations.**

**\* Challenges:**

In 2025, the Company also faced several challenges, including:

- Raw water sources (Thuong River and Luc Nam River) are at constant risk of pollution due to untreated wastewater discharge, environmental pollution from various sources such as engine oil from barges and boats, illegal waste dumping, and household wastewater from riverside residents. Additionally, natural disasters



such as Typhoon No. 10 and Typhoon No. 11 as well as flooding have significantly affected water quality, leading to abnormal changes.

- Customer development and market expansion have become increasingly challenging as the provincial government has designated water supply zones for multiple service providers.

- Investment challenges: Expanding into rural areas requires extensive pipeline infrastructure, leading to high investment costs. Additionally, the process of obtaining construction permits from various authorities is time-consuming, causing delays in project implementation compared to planned schedules.

- Global economic fluctuations have affected domestic businesses and foreign enterprises operating in Vietnam. Consequently, the production scale of businesses, including those that are Company clients, has declined.

**\* Existing Limitations:**

- The oversight and monitoring of professional tasks by some Department Heads and Deputies have, at times, lacked closeness after delegating assignments to staff. Regular inspections and performance evaluations remain inconsistent. Furthermore, the monthly ranking and grading process still reflects a degree of leniency (avoidance of confrontation), failing to strictly adhere to objective performance standards.

- Customer Relations: Some staff in management units exhibit sub-standard professional skills and lack confidence in customer interactions. Inadequate responses to inquiries have led to formal customer complaints.

- Lack of effective proposals to safeguard raw water quality despite rising pollution risks in the Thuong and Luc Nam Rivers

- Limited expertise in the operation, maintenance, and repair of SCADA systems and online monitoring equipment.

- Despite significant investment and corporate support, water loss rates in several areas increased compared to both the annual plan and 2024 results.

- Weak synchronization between the Sales Department, Management Units, and the Water Loss Control Department. This led to delays in addressing high-loss areas, such as Than Khue Street and Phuong Dau Village (Song Mai Commune).

- The Construction and Installation Enterprise lacks innovation in management and remains overly dependent on other departments. There are currently no effective solutions for optimizing construction quality or cost accounting.

**\* Causes of Challenges:**

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### **Objective Causes:**

- Protection of the Thuong River raw water source cannot be achieved by the Company alone; it requires intervention from local authorities. Although the Company has reported this issue to the Provincial People's Committee for direction, no significant improvements have been observed.

- The raw water quality from the Thuong and Luc Nam Rivers exhibits significant fluctuations. During the rainy and storm seasons, parameters such as Turbidity, pH, and Organic Matter frequently experience sudden spikes. Particularly during the dry season, the Thuong River suffers from high concentrations of Ammonia, Organics, Manganese, Nitrate, and Nitrite. These increases are driven by wastewater discharge combined with insufficient upstream replenishment. Meanwhile, the current water treatment technology at the plant remains limited to conventional treatment processes, which struggle to effectively mitigate these complex pollutant levels..

- Some major industrial customers have reduced their water consumption compared to the previous year.

### **Subjective Causes:**

- The Company's leadership has not been proactive or assertive enough in working with relevant authorities to enhance the protection of the Thuong River water source.

- The dissemination and alignment of corporate missions among employees have not been conducted on a regular basis. A "silo mentality" still persists within certain departments and sections, leading to a lack of genuine and effective coordination during the execution of shared tasks.

- Some department and unit leaders have not been strict enough in addressing employee violations. Instead of enforcing corrective actions, they have only issued reminders, failing to create motivation for employees and fostering accountability among those who made mistakes.

- Some employees have not actively studied or kept up with new regulations. Their awareness and sense of responsibility in performing assigned tasks remain low..

## **BUSINESS PERFORMANCE RESULTS IN 2025.**

### **Water Supply Areas of the Water Plant and Bulk Water Purchase**

No.	Indicators	Unit	Plan	Actual	Comparison
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					%
1	Water Revenue	VND Billion	193	193.281	100.15%
2	Clean Water Volume	Million m3	18.300	17.618	96.27%
	- Company's Water Supply	Million m3	10.100	9.390	92.97%
	- DNP's Water Supply	Million m3	8.200	8.228	100.34%
3	Commercial Water Volume	Million m3	16.500	15.679	95.02%
4	Technological Loss	%	1.5	1.34	- 0.16
	Network Water Loss	%	10.55	11.00	+ 0.45
5	Customer Development	Connections	1,8	1,541	85.61%

**Water Supply Area of the Doi Ngo Water Supply Enterprise.**

No.	Indicators	Unit	Plan	Actual	Comparison %
1	Water Revenue	VND Billion	7,5	8,976	119.68
2	Raw Water	Thousand m <sup>3</sup>	910	1,098	120.66
3	Treated Water	Thousand m <sup>3</sup>	873	1,064	121.88
4	Commercial Water	Thousand m <sup>3</sup>	770	949	123.25
5	Technological Loss	%	3	03.08	+ 0.08
	Network Water Loss	%	12	10.83	- 1.17
6	Customer Development	Connections	1	1,767	176.7

**BUSINESS AND PRODUCTION TARGETS IN 2026**

**\* Business Performance Indicators:**

No.	Indicators	Unit	2025 Actual	2026 Target	Growth Rate (Increase/Decrease)
<b>Customers supplied by the Bac Giang Water Plant and DNP Water</b>					
1	Revenue from Water	VND Billion	193.281	199	102.96%
2	Clean Water	Million m <sup>3</sup>	17.618	18.146	103%
	- Company's Water Supply	Million m <sup>3</sup>	9.390	9.670	102.98%
	- DNP's Water Supply	Million m <sup>3</sup>	8.228	8.475	103%
3	Commercial Water Volume	Million m <sup>3</sup>	15.679	16.150	103%
4	Water Loss Rate				
	+ Technological Loss:	%	1.34	1.50	+ 0.16
	+ Network Loss:	%	11	10.55	- 0.45
5	Customer Growth	Connection	1,541	1,550	100.58 %

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Customers supplied by the Doi Ngo Water Enterprise					
1	Revenue:	VND Billion	8.976	9.694	108%
2	Raw Water	Thousand m <sup>3</sup>	1.098	1.186	108%
3	Clean Water	Thousand m <sup>3</sup>	1.064	1.151	108%
4	Commercial Water Volume	Thousand m <sup>3</sup>	949	1.025	108%
5	Commercial Water Volume + Technological Loss: + Network Loss:	% %	3.08 10.83	3.00 11	- 0.08 + 0.17
6	Customer Growth	Connection	1,767	500	28.3%

**\* Investment Activities:**

Based on the Company's Business Development Plan, the ongoing Workplace Environment Improvement initiatives, and the Actual Clean Water Demand of the local population.

**The Company has developed an investment plan of VND 20.05 billion**

**Including:**

No.	Investment Items	Budget
1	Company Headquarters Construction	VND 11.88 Billion
2	Luc Nam Water Plant Rehabilitation	VND 2.0 Billion
3	Treatment Facility & Booster Pumping Station Upgrades	VND 1.3 Billion
4	Meter Replacement, Zoning & NRW Control	VND 2.5 Billion
5	Water Supply Construction for Tam Di & Tien Nha Communes	VND 0.42 Billion
6	Pipeline Network Rehabilitation & Development	VND 1.95 Billion

## 2. FINANCIAL SITUATION

In 2025, the Company effectively managed its financial operations, fulfilling all obligations to the State budget and completing internal settlements in compliance with regulations.

### a) Asset and Capital Structure.

*Unit: VND million*

Items	31/12/2024	31/12/2025	Percentage (%)
Current Assets	86,026	104,135	121.05
Non-current Assets	144,284	138,871	96.25
<b>Total Assets</b>	<b>230,310</b>	<b>243,006</b>	

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Liabilities	37,581	45,912	122.16
- Current Liabilities	37,581	45,912	122.16
- Non-current Liabilities	0	0	-
Owner's Equity	192,728	192,093	99.67
<b>Total Equity and Liabilities</b>	<b>230,310</b>	<b>243,006</b>	

**b) Taxes and Contributions to the State Budget.**

<b>Indicators</b>	<b>2024 (VND)</b>	<b>2025 (VND)</b>
Value Added Tax	428,471,530	2,609,338,907
Corporate Income Tax	3,149,097,151	4,703,095,925
Natural Resources Tax	386,424,402	406,398,828
Personal Income Tax	575,837,310	613,421,390
Environmental Protection Fee (Wastewater)	8,301,009,214	12,935,843,981
Other Taxes and Fees	263,311,502	162,683,741
Dividends Payable to State Budget	5,072,424,452	5,276,061,930
<b>Total</b>	<b>18,176,575,561</b>	<b>26,705,844,702</b>

**IV. BOARD OF DIRECTORS' ASSESSMENT OF COMPANY OPERATIONS**

**1. BOARD OF DIRECTORS' ASSESSMENT OF COMPANY OPERATIONS.**

In 2025, the Party Committee, the Board of Directors, and the Board of Management focused on developing practical and effective production and business plans and targets. Through the collective efforts of functional departments and the entire workforce, the Company successfully achieved its designated objectives, including: Ensuring water production met all quality, flow, and pressure standards; Optimizing chemical usage for water treatment and maintaining seamless coordination with DNP Company for wholesale water procurement; Implementing highly effective measures to minimize non-revenue water (NRW) and water loss; Executing renovation and investment projects at plants, enterprises, and the water supply network with guaranteed technical quality; Achieving and exceeding revenue targets, preserving and growing capital, and fulfilling all state budget obligations; Ensuring full policy benefits and stable income for employees, fostering a workforce that is committed to the Company's long-term leadership and growth.

**2. THE BOARD OF DIRECTORS' ASSESSMENT OF THE BOARD OF MANAGEMENT'S PERFORMANCE.**

**\*Key Achievements**

In compliance with the Resolutions of the General Meeting of Shareholders, the Board of Directors has governed the Company in strict accordance with the

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Law on Enterprises, the Company's Charter, and internal management regulations. Key successes include:

- Maintained stable production and business activities across three core pillars: clean water production, clean water trading, and investment activities.

- All key performance indicators (KPIs) exceeded the targets set by the General Meeting of Shareholders. Corporate capital was preserved and effectively expanded.

- Sustained growth in employee income and continuous improvement of working conditions.

- Clean water production—the Company's primary business—consistently met safety criteria. Customer service innovations have significantly enhanced customer trust.

- Maintained close coordination with DNP-BG on wholesale water procurement based on mutual benefit and strict adherence to signed contracts.

- Fully and promptly fulfilled all obligations to the State, employees, and shareholders. No legal or regulatory violations occurred during the year.

**\* Existing Limitations**

Alongside the prominent achievements in corporate management and governance, the Board of Directors (BOD) and the Chairperson acknowledge certain existing limitations, as follows:

- The Company has yet to fully leverage its internal resources, including financial capacity, human capital, business advantages, and corporate branding. Furthermore, the Company has not maximized customer trust or the strategic guidance and favorable conditions provided by the Provincial Party Committee, the Provincial People's Committee, and relevant authorities. Consequently, business efficiency remains limited and has not yet yielded high profits or dividends for the enterprise and its shareholders.

- Investment activities have lacked boldness and proactive planning to capture market share or compete effectively with other clean water enterprises in the region. Specifically, there is a gap in investing in science and technology applications and advanced management software to enhance labor productivity and operational efficiency.

- The management and supervision of the activities of the Board of Executive, the Supervisory Board, and various departments have, at times, lacked decisiveness. This has led to passivity and reliance among certain collectives and individuals in the execution of their assigned duties.

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- The Company's current scale—in terms of revenue, output, and total customer base—remains at a moderate-to-good level compared to other water utility companies in the Northern provinces.

- The objective to construct the Company's main headquarters and office building was not completed within the current term..

### **3. BOARD OF DIRECTORS' DIRECTIONS AND OBJECTIVES**

**The Board of Directors has set forth the following key objectives and action plans for 2026 and the 2026–2031 term:**

The 2026–2031 term marks the third phase of Bac Giang Clean Water Joint Stock Company operating under a joint-stock model with diverse shareholders. This term benefits from ten years of established operations, including a prime service area encompassing the provincial administrative center, a robust and widespread infrastructure, and a highly skilled, experienced workforce. The leadership—comprising the Party Committee, Board of Directors (BOD), Board of Executive, and Supervisory Board—remains unified. Most importantly, the Company enjoys strong brand prestige and the trust of both customers and local authorities.

Alongside the fundamental advantages, several challenges are expected to directly impact the unit's production and business operations in the coming years:

- Intense competition among clean water enterprises within the designated water supply areas.

- Ongoing conflicts in the Middle East and the shifting tax policies of major global powers are projected to cause foreign enterprises in Industrial Zones to scale back production. This is driven by rising fuel costs and the inability to export goods to conflict-affected regions, which consequently leads to a decline in industrial water consumption.

- The water quality of the Thuong River is facing increasing pollution and the risk of depletion. Furthermore, as the Company's water treatment plants were constructed and renovated in stages dating back to the 1980s, the facility faces significant hurdles in renovation, upgrading, and the integration of new production technologies.

To ensure stable growth, the BOD will focus on the following nine key objectives:

(1) Immediately following the General Meeting, prioritize the stabilization of personnel and organizational structures. Issue key corporate governance documents, including: The Company's Charter; Operational Regulations for the Board of Directors, the Board of Executive, and the Supervisory Board;

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Coordination Regulations among various organizations and departments within the Company.

(2) Maximize the Company's full potential and competitive advantages, including its infrastructure, corporate brand prestige, and human capital. This objective focuses on creating strong synchronization and unity across all production and business operations to ensure the successful implementation of the General Meeting Resolutions.

(3) Boldly invest in the application of science and technology, as well as modern management methodologies, to enhance corporate governance and business operations. Particular focus will be placed on investing in production facilities to guarantee the quality of clean water, ensuring it consistently meets the "Potable and Domestic Water Quality Standards." Furthermore, the Company will prioritize elevating customer service quality to fulfill the increasingly sophisticated demands of its clientele.

(4) Collaborate with the local community and relevant authorities to promote public awareness and education. This includes proposing and implementing effective solutions and measures to protect and progressively enhance the water quality of the Thuong River, ensuring the source remains viable and compliant for sustainable clean water production and business operations.

(5) Further enhance engagement with shareholders, with a particular focus on major institutional investors, to leverage their financial resources, expertise, and technological capabilities for investment in production and business operations. The Company is committed to strictly adhering to legal regulations, the Corporate Charter, and the legitimate proposals of shareholders. Furthermore, all corporate information will be provided in a complete, timely, transparent, and accurate manner to facilitate effective oversight by shareholders.

(6). Maintain close coordination with DNP - Bac Giang in the execution of the "Wholesale Clean Water Purchase" Contract, guided by the principles of Trust – Cooperation – Mutual Development. The Company is committed to resolving any issues arising during contract implementation promptly and effectively, ensuring that no disputes or conflicts of interest occur between the two parties.

(7) Ensure full adherence to legal regulations applicable to public companies across all production, business, and administrative activities, thereby maintaining a balance of interests among all stakeholders. Furthermore, the Company will actively strengthen relationships and seek the continued support and cooperation of the Provincial Party Committee, the Provincial People's Council, the Provincial People's Committee, as well as relevant departments and local ward/commune authorities where the Company operates.



(8) During the current term, finalize the construction of the Company's Headquarters, with an expected commencement of operations by the third quarter (Q3) of 2027. Furthermore, the Company will invest in the renovation and upgrading of production facilities to guarantee the security and safety of clean water production against fluctuations in the water source quality of the Thuong and Luc Nam Rivers. Additionally, investment in advanced technological equipment for the water distribution network will be increased to ensure the highest efficiency in operational monitoring.

(9) Strive for stable production and business operations with consistent profit growth. The Company is committed to further enhancing the quality of life for its employees—improving both income and working environments—while ensuring sustainable dividend returns for shareholders. These efforts aim to secure the enterprise's long-term stability and continued development..

## **V. CORPORATE GOVERNANCE.**

### **1. BOARD OF DIRECTORS**

#### **a) Members of the Board of Directors and Structure.**

<b>Full Name</b>	<b>Position</b>	<b>Number of Shares Owned</b>	<b>Ownership Percentage</b>
Huong Xuan Cong	Chairman of the Board	235,000	1.294%
Tran Dang Dieu	Member of the Board	100,100	0.55%
Bui Vinh Bac	Member of the Board	79,400	0.437%
Nguyen Thi Phuong Thao	Member of the Board	105,000	0.578%
Nguyen Trong Hieu	Member of the Board	0	0%

#### **b) Board of Directors' Activities.**

##### **\* General Governance Functions per the Charter.**

- The Board of Directors closely adhered to the Resolutions of the Annual General Meeting of Shareholders and the practical realities of the production and business environment throughout the year. This proactive oversight ensured that all operational facets and corporate tasks were aligned with the targets and duties mandated by the General Meeting. Throughout the management process, the BOD maintained a consistent schedule of monthly meetings. These sessions were expanded to include members of the Board of Management, the Supervisory Board, and Heads of Departments and mass organizations within the Company. This inclusive approach ensured that opinions and recommendations were resolved and addressed promptly within the Board's authority. Consequently, it created optimal



conditions for the Board of Management's leadership and the successful execution of tasks by all functional departments and organizational units

- The BOD unanimously approved key management issues, based on recommendations from the Executive Board, including:

- + Approval of the 2025 business performance report and the 2026 business plan.

- + Review and approve quarterly, semi-annual, and annual financial reports. The independent auditor provided evaluations and feedback based on the Executive Board's proposals.

- + Disclosure of information as per State Securities Commission regulations and Company's Charter.

- + Issuance of additional internal governance regulations. Each month, the Chairman of the Board of the Directors issues a meeting conclusion report, which is disseminated to all employees to ensure proper implementation.

- + Approval of budget estimates and procurement bidding results for equipment and materials serving business operations within the scope of authority, based on proposals from the Executive Board.

- + Investment decisions in accordance with the Company's development plan, including approving infrastructure projects as outlined in the strategic plan.

**\* Oversight of the Executive Board.**

- The Board of Directors exercised its oversight role over the Executive Board and all company departments to ensure effective governance.

- The Board of Directors regularly directs and evaluates the implementation of business operations and other activities to ensure efficiency and alignment with the Company's actual conditions.

- The Board of Directors actively provided guidance and promptly resolved difficulties to facilitate the Executive Board and departments in effectively directing and organizing business operations.

**\* Investment Management:**

The Board of Directors approved investment projects in production facilities and the expansion of pipeline networks to develop customer bases in areas where the Company has potential for clean water business. These decisions were made based on analysis and voting by BOD members, following recommendations from the Executive Board to serve business operations, implement the resolutions of the Annual General Meeting of Shareholders, and address emerging practical needs.

**\* Financial management:**



Financial management has always been a key focus of the Board of Directors, ensuring transparency and compliance with legal regulations while safeguarding the legitimate interests of shareholders. Financial management was assessed through regular oversight by the Company's Supervisory Board and evaluations from independent auditors based on mid-year review reports and the annual financial audit report.

**\* Oversight of the Supervisory Board:**

The Board of Directors always directs and facilitates the Supervisory Board in conducting inspections of business operations, financial management, personnel affairs, employee compensation policies, and profit distribution to shareholders. These activities are carried out in accordance with the principles of independence, transparency, and compliance with the Company Charter and relevant legal regulations.

**\* Shareholder Relations:**

The Board of Directors has fully complied with legal requirements regarding information disclosure for shareholders.

- The disclosure policy was strictly implemented following the regulations of the State Securities Commission, ensuring compliance with the characteristics of the Company as a large-scale public enterprise.

- The Board of Directors provided complete information on the Company's website, ensuring equal access for all shareholders.

- Ensuring that all shareholder rights as stipulated by law, the Company's Charter, and the resolutions of the Annual General Meeting of Shareholders were fully and seriously implemented.

- The Board of Directors always strictly adheres to the process of seeking approval from the Annual General Meeting of Shareholders regarding investment projects, clean water production and business operations in the region, profit distribution, capital preservation and development, financial management. Particularly, the Board of Directors ensures compliance with obligations towards the Provincial People's Committee, which holds a dual role as both the legal representative of the state ownership and the majority shareholder, owning 51% of the company's shares

**\* Resolutions and decisions of the Board of Directors**

No.	Resolution / Decision No.	Date	Subject
1	No. 02/NQ-HĐQT-NSBG	Feb 05th, 2025	Ratification of the organization of the 2025 Annual General Meeting of Shareholders.
2	No. 05/NQ-HĐQT-	Aug 13th, 2025	Regarding the advance payment for water

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	NSBG		procurement from DNP-BG Water Infrastructure Investment Co., Ltd.
3	No. 16/NQ-HĐQT-NSBG	Apr 24th, 2025	Regarding the 2024 dividend payment.
4	No. 18/NQ-HĐQT-NSBG	Jun 02nd, 2025	Regarding the selection of the independent auditing firm.
5	No. 19/QĐ-HĐQT-NSBG	Jun 09th, 2025	Promulgation of Internal Management Regulations.
6	No. 20/NQ-HĐQT-NSBG	Jun 18th, 2025	Appointment and re-appointment of corporate management positions.
7	No. 29/NQ-HĐQT-NSBG	Jun 20th, 2025	Approval of the project: Construction of the Company's head office.
8	No. 31/NQ-HĐQT-NSBG	Sep 03rd, 2025	Change of the Company's official corporate seal.
9	No. 34/QĐ-HĐQT-NSBG	Oct 30th, 2025	Appointment of the Team Leader for the Song Mai Water Management Team.
10	No. 36/NQ-HĐQT-NSBG	Nov 04th, 2025	Approval of the policy for the demolition of the existing office to construct the new headquarters.

**c) Subcommittees under the Board of Directors**

Currently, there are no subcommittees under the Company's Board of Directors structure

**d) independent member of the Board of Directors**

Currently, there are no independent members in the Company's Board of Directors structure

**2. SUPERVISORY BOARD**

**a) Members of the Supervisory Board and Structure.**

Full Name	Position	Number of Shares Owned	Ownership Percentage
Nguyen Thi Thanh Thuy	Head of the Supervisory Board	35,000	0.19%
Vu Thi Thuy	Member of the Supervisory Board	40,000	0.22%
Trinh Kien	Member of the Supervisory Board	0	0%

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#### **b) Supervisory Board Activities.**

The Supervisory Board has conducted its activities in full compliance with the Law on Enterprises, the Company Charter, and the Supervisory Board's Organizational and Operational Regulations, including:

- Monitoring and inspecting the Company's production, business, and investment activities;
- Reviewing and evaluating the implementation of the 2025 General Meeting of Shareholders' Resolutions, including an assessment of key performance indicators achieved or unmet, with detailed cause analysis.
- Regularly reviewing the governance and executive management activities of the Board of Directors and the Executive Board, ensuring their adherence to the Board of Directors' resolutions and the Company Charter.
- Examining the Company's accounting records, debt management, and financial performance, analyzing factors affecting business results and investment activities, and providing timely recommendations.
- Reviewing the 2025 audited financial statements, ensuring that reports were prepared in accordance with established procedures and standards, and accurately reflected the Company's financial position.

Through its activities, as outlined in the Company Charter, the Supervisory Board confirms that it has fulfilled its duties as assigned by the General Meeting of Shareholders, contributing to the successful implementation of corporate governance objectives alongside the Board of Directors and the Executive Board.

#### **c) Assessment of Compliance with Corporate Governance Regulations.**

Based on the management and business operation documents provided by the Company, Supervisory Board members conducted inspections, reviews, and assessments as follows:

##### **Corporate Governance and Executive Management by the Board of Directors and Executive Board in 2025**

The Supervisory Board recognizes that the Board of Directors, Executive Board, and management team effectively performed their duties within the legal framework, specifically:

- The Board of Directors promptly implemented the resolutions of the General Meeting of Shareholders. No irregularities were identified in the operations of the Board of Directors, Executive Board, or management team.
- Resolutions issued by the Board of Directors complied with its authority, aligned with the strategic direction and resolutions of the General Meeting of Shareholders.

- Sufficient capital resources were ensured for business and investment activities. Customer debt recovery was conducted in a timely and comprehensive manner, and payments to suppliers were made on schedule, maintaining strong liquidity and a reasonable debt ratio.

- The Company ensured compliance with Vietnamese Accounting Standards (VAS) and financial reporting regulations, including: Circular 200/2014/TT-BTC issued by the Ministry of Finance and other relevant regulations guiding financial reporting and accounting standards

- Investment management and implementation were carried out in accordance with legal and regulatory requirements.

### **Implementation of General Meeting of Shareholders's Resolutions and Key Business Objectives in 2025**

#### ***Asset Management:***

The Company maintained detailed records of fixed assets, categorizing assets appropriately and depreciating them in compliance with regulations. Annual inventory assessments were conducted, and detailed inventory reports were compiled and documented properly.

- Fixed Asset Cost as of December 31, 2025: VND 366,191,139,520

- Accumulated Depreciation as of December 31, 2025: VND 262,187,863,293

- Net Book Value as of December 31, 2025: VND 104,003,276,227

#### ***Debt Management:***

- Receivables and Payables as of December 31st, 2025: The Company closely monitors debts, ensuring detailed tracking by entity and payment deadlines.

- Accounts Receivable: VND 9,127,883,171

+ Short-term trade receivables: VND 3,608,511,780

+ Short-term prepayments to suppliers: VND 2,781,114,854

+ Other short-term receivables: VND 2,940,503,537

+ Provision for doubtful short-term receivables: (VND 202,247,000)

- Accounts Payable: VND 45,912,862,812

+ Short-term trade payables: VND 5,089,780,019

+ Short-term advances from customers: VND 3,000,000

+ Statutory obligations (Taxes and other payables to the State): VND 3,490,473,498

+ Payables to employees: VND 3,654,451,600

+ Short-term accrued expenses: VND 21,569,513,677

+ Other short-term payables: VND 345,810,700



+ Bonus and Welfare Fund 2025 (including provisional appropriation from 2025 business results; final figures subject to General Meeting approval): VND 1,634,459,080

***Implementation of the 2025 Business and Production Plan***

<b>No.</b>	<b>Description</b>	<b>Value (VND)</b>
1	Revenue	196,913,430,325
2	Gross profit	82,823,690,620
3	Financial income	1,726,325,879
4	Net operating profit	23,578,529,833
5	Accounting profit before tax	21,928,023,055
6	Profit after corporate income tax	16,344,590,800

***Implemented Salary Fund: VND 51,379,460,100***

In 2025, the Supervisory Board did not detect any irregularities in the Company's business and production activities.

***Construction and Investment Activities in 2025::***

Aligned with the Company's general mandates, as well as the urban and economic development trends of communes and wards within Bac Ninh Province, the Leadership Team has developed a strategic plan with an investment value of VND 18.55 billion.

Results: Total investment reached VND 18.71 billion, achieving 101% of the annual target.

<b>Investment Project / Activity</b>	<b>Value (VND Billion)</b>
- Renovation of Luc Nam Raw Water Pumping Station	0.705
- Construction of the Ngoc Ly Commune Water Supply System	1.41
- Construction of the Water Supply System for Tam Di and Tien Nha Communes	8.56
- Meter replacement and network zoning for water loss assessment	4.11
- Renovation, upgrading, and repair of pipeline networks	2.68
- Renovation of the Treatment Area and Booster Pumping Station at the Water Treatment Plant	0.623
- Construction of Office 1	0.632

All construction items have met technical standards and project schedules. The completed works effectively demonstrate investment efficiency, while the procurement of materials and goods has strictly complied with State regulations.

### ***Shareholder Relations***

General Assessment: Through the dedicated efforts of the Board of Directors and the Board of Management, coupled with a high level of consensus among the staff, the Company successfully achieved the planned targets approved by the Annual General Meeting of Shareholders in 2025.

### ***Financial Accounting and Audited Financial Statements for FY 2025.***

Accounting Activities: The Company applies Vietnamese Accounting Standards (VAS) and the Vietnamese Corporate Accounting System as promulgated under Circular No. 200/2014/TT-BTC dated December 22nd, 2014, along with the guiding circulars on accounting standards issued by the Ministry of Finance, for the preparation and presentation of its Financial Statements.

The financial statements for the fiscal year ending December 31st, 2025, were audited by Chuan Viet Auditing & Consulting Co., Ltd.

### **3. TRANSACTIONS, REMUNERATIONS.**

The remuneration for members of the Board of Directors, the Supervisory Board, and the Corporate Governance Officer was paid according to the level approved by the General Meeting of Shareholders in Resolution No. 15/NQ-ĐHĐCĐTN-NSBG dated April 12th, 2025, regarding the approval of the remuneration plan for non-executive members of the Board of Directors, the Supervisory Board, and the Corporate Governance Officer. Specific Remuneration Payments as Follows:

- |                                      |                               |
|--------------------------------------|-------------------------------|
| - Members of the Board of Directors: | VND 3,0 Million /person/month |
| - Head of Supervisory Board::        | VND 2,0 Million /person/month |
| - Members of the Supervisory Board:  | VND 1,5 Million /person/month |
| - Corporate Governance Officer:      | VND 1,5 Million /person/month |

## **VI. FINANCIAL STATEMENTS 2025**

### **1. AUDITOR'S OPINION.**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bac Giang Clean Water Joint Stock Company as of December 31st, 2025, as well as its financial performance and cash flows for the fiscal year then ended, in accordance with the prevailing Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations on financial statement preparation and presentation.



## 2. AUDITED FINANCIAL STATEMENTS.

The audited financial statements for the year 2025 include the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Notes to the Financial Statements, as required by law..

The full audited financial statements for 2025 are available in detail on the website: [bacgiangwsc.com.vn](http://bacgiangwsc.com.vn).

### CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE

  
CHỦ TỊCH HĐQT  
**Hưởng Xuân Công**



