

## **ANNUAL REPORT**

### **OF PHU YEN WATER SUPPLY AND SEWERAGE JOINT STOCK COMPANY 2024**

*( According to Circular No. 96/2020/TT-BTC dated June 1 January 1 , 2020 of the  
Ministry of Finance guiding information disclosure on the stock market )*

#### **I. General information:**

##### **1. General information:**

- Company Name: Phu Yen Water Supply and Sewerage Joint Stock Company.
- Certificate of Business Registration: No. 4400115690 was first issued by the Department of Planning and Investment of Phu Yen province on March 15, 2006 and registered for the 10th change on November 12, 2024.
- Charter capital: 383,635,790,000 VND (In words: Three hundred eighty-three billion six hundred thirty-five million seven hundred ninety thousand VND).
- Owner's equity: 383,635,790,000 VND (In words: Three hundred eighty-three billion six hundred thirty-five million seven hundred ninety thousand VND).
- Head office: No. 05 Hai Duong, Ward 1, Tuy Hoa city, Phu Yen province.
- Phone: (0257) 3823 557
- Fax: (0257) 3828 388
- Website: capthoatnuocpy.com.vn
- Stock code: PWS
- Formation and development process :

Phu Yen Water Supply and Sewerage Joint Stock Company evolved from the Phu Yen Province Water Plant Management Board and has undergone multiple stages of development:

+ *Period 9/1996 – 8/2000:*

Established on September 28, 1996 on the basis of reorganizing the Management Board of Phu Yen Province's water treatment plants, with the name of Phu Yen Water Supply Company operating for public purposes according to Decision No. 1443/QĐ-UB of the Provincial People's Committee, managing and exploiting Tuy Hoa town water plant with a capacity of 5,000m<sup>3</sup> / day.

+ *Period 9/2000 – 11/2005:*

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

+ *Period 12/2005 to present:*

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

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

## **2. Business lines and locations:**

**2.1. Main business lines:** Water exploitation, treatment and supply;

**2.2. Business location:**

Business location of Phu Yen Water Supply and Sewerage Joint Stock Company is as follows:

- Tuy Hoa water plant supplies to wards and communes in Tuy Hoa city; Dong Hoa town (part of Hoa Hiep Bac, Hoa Hiep Trung, Hoa Hiep Nam wards (end point to Da Nong bridge), Hoa Vinh, part of Hoa Tan Dong commune and Hoa Hiep Industrial Park); Tuy An district (part of An Chan commune, An Hoa Hai commune); Phu Hoa district (part of Hoa An commune and Hoa An Small Industry Point);

- Song Cau Water Plant: Supplying to wards : Xuan Yen, Xuan Phu, Xuan Thanh, part of Xuan Dai; part of communes: Xuan Phuong, Xuan Lam, Xuan Tho 1.

- Dong Bac Song Cau Water Plant supplies water to the following communes: Xuan Binh, Xuan Loc, Xuan Hai; water supply through the main reservoir for Binh Thanh Nam village, Xuan Binh commune and Dong Bac Song Cau Industrial Park.

- Tuy An Water Plant: Supplying Chi Thanh town, Tuy An district and communes: An Dan, An Thach, An Ninh Tay, An Ninh Dong, An Cu, An Dinh.

- Dong Xuan Water Plant: Supplying La Hai town and part of the communes: Xuan Quang 3, Xuan Long and Xuan Son Bac.

- Hai Rieng Water Plant: Supplying Hai Rieng town and neighboring communes: Ea Bia and Ea Trol communes.

- Cung Son Water Plant: Supplying Cung Son town and part of Suoi Bac commune; supplying water through the main meter to part of Son Ha commune;

- Phu Hoa Water Plant: Supplying Phu Hoa town, Phu Thu town, Hoa Dong commune and wholesale water supply through a central meter to Hoa Quang Bac commune, Hoa Quang Nam commune, Phu Hoa district.

- Vung Ro Water Plant: Supplying Vung Ro village and Vung Ro port, Hoa Xuan Nam commune, Dong Hoa town.

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

#### ***3.1. Management model:***

- General meeting of shareholders;
- Board of Directors;
- Board of Control;
- General Director.

#### ***3.2. Management structure:***

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

#### ***3.3. Subsidiaries, affiliates :*** None.

### **4. Development orientation:**

#### ***4.1. Main objectives:***

- Meet the water needs of customers in the Company's water supply service area, ensure water flow, pressure, and quality; improve service quality and customer care; strive to gradually reduce the rate of clean water loss and revenue loss according to the annual roadmap;
- Ensure proper business operations according to the Company Charter and invest intensively in the field of urban water supply;
- Investment development ensures meeting the socio-economic development requirements of the locality; ensuring the social security goals of the state;
- Orientation of investment for sustainable development and following the Government's roadmap for innovation and enterprise restructuring;
- Indicators: Consumption output, revenue, and profit grow steadily and

sustainably;

- Workers' jobs are stable, average income per capita is increasingly improved.

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

– Increase the capacity of water treatment plants to ensure clean water ensure sufficient clean water supply capacity to support the province's socio-economic development of the whole province according to the approved Phu Yen Province Water Supply Plan.

- Strive for an average increase in commercial water output of  $\geq 5\%$ /year.
- Ensure water quality meets regulatory standards.
- Maintain a stable and continuous 24/7 water supply; ensure network-wide water pressure compliance, with a minimum pressure of 10 meters at the least favorable point.

– Ensure proper business operations according to the Company Charter, invest intensively in the field of urban water supply and sewerage, and research and consider expanding appropriate business lines, increasing the number of products serving society.

– Orientation of investment for sustainable development and following the Government's roadmap for innovation and enterprise restructuring.

– Indicators: Consumption output, revenue, and profit grow steadily and sustainably.

– Workers' lives are increasingly improved, with average income per capita above average compared to businesses operating in the province.

– Applying advances in science, technology and information technology to improve the quality of management and operation, innovating service methods - bringing customers the best services, implementing the "Customer-oriented" strategy to survive and develop sustainably.

– Focus on investment, innovation, and application of advanced science and technology in production and business activities.

#### ***4.3. The Company's short-term and medium-term sustainable development goals (environmental, social and community) and related key programs:***

– Gradually convert water sources from underground water to surface water in areas with conditions for surface water exploitation, suitable to the technology of each factory to ensure sustainability and reduce costs; gradually switch to using natural energy sources (solar energy); focus on environmental protection in water exploitation and wastewater treatment of factories.

– Meet the community's domestic water needs, contribute to improving community health, and reduce diseases caused by using polluted water sources.

– Production and business in an environmentally friendly manner. Always ensure safe and sufficient water supply for customers, especially when affected by climate change.

- Strictly comply with the provisions of law on clean water exploitation and business; fully fulfill tax obligations to the State.

- Sustainable development, ensuring harmony of interests between the enterprise, employees and shareholders of the Company.

### **5. Risks:**

- Climate change is complicated, drought occurs widely and prolonged, causing a lack of raw water for production, reducing the output supplied to customers (Song Cau Water Supply Plant, Cung Son Water Supply Plant, Vung Ro Water Supply Plant); salinity is increasingly penetrating deeper, the salinity of water sources sometimes exceeds the allowable standard, leading to some exploitation works having to stop exploitation (exploitation well field of Song Cau Water Supply Plant in Binh Nong village, Xuan Lam commune). Water resource management (especially surface water) in some localities is still not strict, especially the management of small-scale businesses that discharge untreated waste, which risks polluting water sources. Exploitation wells are located along rivers, with a high risk of landslides during the rainy season, affecting the exploitation capacity of factories.

- The population is unevenly distributed, so areas far from the center, outside the city or towns with low population density lead to low investment efficiency. Some areas have invested in water supply networks, but because people have the habit and priority of using water from drilled wells and dug wells, they rarely use the water source provided by the Company, leading to low investment efficiency in some areas.

- Some pipelines invested over 20 years ago often leak, increasing repair costs and causing large losses.

- Urban beautification work, expansion and upgrading of urban roads are not implemented synchronously, there is no close coordination between investors and technical infrastructure management units, including water supply infrastructure, leading to some pipelines being broken during construction or being buried deep due to raising the roadbed and sidewalk level, causing difficulties in controlling leakage and connecting customers. Every year, the Company has to spend a relatively large amount of money to relocate pipelines due to expanding traffic routes; The situation of customers arbitrarily connecting to use water without going through the contract still occurs.

- Illegal drilling for groundwater for production and daily life is still very common in the whole province, reducing the demand for clean water and reducing the efficiency of investment in water supply projects in the area.

## **II. Operational performance in 2024 :**

### **1. Production and business situation:**

The production and business performance in 2024 is summarized in the table below:

St at us	Target	Unit	Plan 2024	Implementat ion in 2024	% of Plan achieved
1	Production water output (TBII)	m3	14,467,000	15,103,919	104.4%
2	Water consumption	m3	12,200,000	12,715,320	104.2%
3	Water loss rate and Revenue loss	%	15.7	15.6	-0.1%
4	Total Revenue	million VND	136,200	142,374	104.5%
	<i>Including:</i>				
	- <i>Clean water production and business activities</i>	<i>million VND</i>	<i>128,000</i>	<i>133,810</i>	<i>104.5%</i>
	- <i>Other business activities</i>	<i>million VND</i>	<i>2,600</i>	<i>2,674</i>	<i>102.8%</i>
	- <i>Financial activities</i>	<i>million VND</i>	<i>5,000</i>	<i>5,870</i>	<i>117.4%</i>
	- <i>Other income</i>	<i>million VND</i>	<i>600</i>	<i>20</i>	<i>3.3%</i>
5	Profit before tax	million VND	30,000	41,921	139.7%
6	Budget Contributions (Excluding Corporate Income Tax)	million VND	13,500	13,675	101.3%
7	Dividend Rate	%	4	10	250.0%

## 2. Organization and personnel:

### 2.1. Executive Board Members:

Stat us	Full name	Position	Date of birth	Address	Professional qualifications	Appointme nt Date	Percentage of shares owned
1	Do Hoang Long	General Director	February 15, 1975	106 Mac Dinh Chi, Le Thanh Nghi Ward, Hai Duong City	Master of Infrastructure Engineering	11/05/2020	Representativ e of Aqua One Company's capital: 29.79%

Stat us	Full name	Position	Date of birth	Address	Professional qualifications	Appointme nt Date	Percentage of shares owned
2	Nguyen Phu Lieu	Deputy General Manager	September 8, 1966	Group 13, Tran Phu Quarter, Ward 2, Tuy Hoa City, Phu Yen	Civil Engineer- Water Supply and Sewerage	11/05/2020	State shareholder representative : 10%; Individual: 0.0130%
3	Nguyen Tan Thuan	Deputy General Manager	May 28, 1967	123 Hung Vuong, Ward 4, Tuy Hoa City, Phu Yen	Civil and Industrial Engineering; Master of Business Administrati on	11/05/2020	State shareholder representative : 28.42% Individual: 0.1291%
4	Nguyen Khac Toan	Deputy General Manager	July 3, 1970	17A/9 Nguyen Tat Thanh, Ward 2, Tuy Hoa City, Phu Yen	Urban Engineer - Water Supply and Sewerage	July 13, 2021	0.001%
5	Nguyen Thi Xuan Tuu	Chief Accountant	August 19, 1976	KP 4, Ward 2, Tuy Hoa City, Phu Yen	Bachelor of Business Accounting	01/01/2021	0.006%

## ***2.2. Changes in the Executive Board: No changes recorded.***

## ***2.3. Employee Statistics and Policy Summary:***

The total number of officers and employees in the Company as of December 31, 2024 is: 240 people, detailed labor classification according to the following table:

Criteria	Quantity (People)	Proportion (%)
<b>Total</b>	<b>240</b>	
<b>1. Classification by labor level</b>	<b>240</b>	<b>100</b>
- Postgraduate degree	5	2.08
- University degree	87	36.25
- College degree	20	8.33
- Intermediate level	33	13.75

<b>Criteria</b>	<b>Quantity (People)</b>	<b>Proportion (%)</b>
- Vocational certificate	77	32.08
- Unskilled Labor	18	7.51
<b>2. Classification by type of labor contract</b>	<b>240</b>	<b>100</b>
- Indefinite term labor contract	187	77.92
- Labor contract with term from 1-3 years	52	21.67
- Temporary labor contract, probationary period	1	0.42
<b>3. Classification by gender</b>	<b>240</b>	<b>100</b>
- Male	177	73.75
- Female	63	26.25

The company fully implements policies and benefits for employees such as salary, bonus, social insurance, health insurance, unemployment insurance, personal insurance, meal allowance, uniforms, labor protection, sightseeing, periodic health check-ups, sick visits, and other welfare activities to care for their material and spiritual lives.

### **3. Investment situation, project implementation situation:**

#### **3.1. On implementation of basic construction investment work :**

**Table: Summary of implementation results in 2024**

<b>Status</b>	<b>Capital</b>	<b>Capital plan (million VND)</b>	<b>Implementation in 2024</b>	
			<b>Implementation results (million VND)</b>	<b>Completion rate compared to plan (%)</b>
<b>1</b>	<b>Project transition from 2023</b>	<b>148,050</b>	<b>30,183</b>	<b>20.39%</b>
-	Shareholder capital	49,000	8,550	17.45%
-	Enterprise capital	18,050	21,633	119.85%
-	Loan capital	81,000	0	0.00%
<b>2</b>	<b>New investment project in 2024</b>	<b>23,500</b>	<b>4,824</b>	<b>20.53%</b>
-	Shareholder capital	0	0	
-	Enterprise capital	23,500	4,824	20.53%
-	Loan capital	0	0	
<b>3</b>	<b>Additional Project 2024</b>	<b>1,349</b>	<b>640</b>	<b>47.46%</b>
	<b>Total</b>	<b>172,899</b>	<b>35,648</b>	<b>20.62%</b>

In 2024, the Company completed and put into use the following main projects: Developing water supply pipelines for Tan Hoa, Tan Dinh, Phu Diem villages in An Hoa Hai commune; Project to expand water supply pipelines in My Thuan Trong



village, Hoa Dong commune, Tay Hoa district; Project renovation, repair and replacement of uPVC water distribution and service pipelines on urban roads of Hai Rieng water plant; Project: Renovation, repair and replacement of uPVC water distribution and service pipelines on urban roads of Son Hoa water plant; Project: Installation of solar power system at Chi Thanh water plant .

### ***3.2. Progress of using capital raised from public offering of securities:***

Phu Yen Water Supply and Sewerage Joint Stock Company has submitted report No. 47 /BC-CTN dated March 6 , 2025 to the State Securities Commission on reporting the progress of using capital raised from the public offering of securities.

### ***3.3. Subsidiaries, affiliates:*** None

## **4. Financial situation:**

### **4.1. Financial situation**

*Unit: VND*

<b>Target</b>	<b>2023</b>	<b>2024</b>	<b>Increase/decrease (±%)</b>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4=(3-2)/2</i>
Total asset value	516.222.255.830	495.271.069.375	-4.1%
Net revenue	127.923.685.071	136,483,957,345	6.7%
Profit from business activities	33,881,823,075	41,994,850,523	23.9%
Other profits	(115,226,969)	(74,172,218)	-35.6%
Profit before tax	33,766,596,106	41,920,678,305	24.1%
Profit after tax	30,575,774,077	38,799,736,240	26.9%
Dividend yield ratio	7.5%	10.0%	33.3%

### **4.2. Major financial indicators:**

<b>Target</b>	<b>2023</b>	<b>2024</b>	<b>Note</b>
<i>1. Payment capacity indicators</i>			
+ Short-term payment ratio :	3.75	6.58	
Current Assets/Current Liabilities			
+ Quick payment ratio :	3.60	6.26	
<u>Current Assets - Inventories</u>			
Short-term debt			
<i>2. Capital structure indicators</i>			
+ Debt/Total Assets Ratio	0.15	0.10	

Target	2023	2024	Note
+ Debt/Equity Ratio	0.18	0.11	
<i>3. Performance indicators</i>			
+ Inventory turnover	10.09	11.94	
Cost of goods sold/Average inventory			
Net Revenue/Total Assets	0.25	0.28	
<i>4. Profitability indicators</i>			
+ Profit after tax/ Net revenue ratio	0.24	0.28	
+ Profit after tax/ Equity ratio	0.071	0.088	VCSH bq
+ Profit after tax/ Total assets ratio	0.060	0.077	TTS bq
+ Operating Profit/Net Revenue Ratio	0.26	0.31	

## 5. Shareholder structure, change in owner's equity:

### 5.1. Shares:

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

+ Free transferable shares: 38,220,479 shares

+ Restricted shares: 143,100 shares

– Type of stock: Common stock.

### 5.2. Shareholder structure :

**Table 1: Major shareholders (holding more than 5% of equity ) and minor shareholders**

Status	Shareholder name	ID card/ Business registration certificate	Address	Number of shares owned	% of charter capital
1	Aqua One Water Joint Stock Company	Number 0313062501 first issued by the Department of Planning and Investment of Ho Chi Minh City on December 23, 2014, registered for the 15th	72/38 Ngo Tat To, Ward 19, Binh Thanh District, HCMC	22,879,025	59.64

<b>Sta tus</b>	<b>Shareholder name</b>	<b>ID card/ Business registration certificate</b>	<b>Address</b>	<b>Number of shares owned</b>	<b>% of charter capital</b>
		change on February 27, 2024			
2	People's Committee of Phu Yen province	VSDPWSLĐ01 issued on April 30, 1975	No. 07 Doc Lap Street, Ward 7, Tuy Hoa City, Phu Yen Province	14,740,600	38.42
3	Remaining shareholders			743,954	1.94
4	Treasury stock			0	0
<b>Total</b>				<b>38,363,579</b>	<b>100</b>

**Table 2: Domestic shareholders and foreign shareholders**

<b>Status</b>	<b>Full name</b>	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>Percentage of actual contributed charter capital</b>
1	Domestic shareholders	212	38,349,079	99.96
-	Organization	2	37,619,625	98.06
-	Individual	210	729,454	1.90
2	Foreign shareholders	6	14,500	0.04
-	Organization	1	1,200	0.003
-	Individual	5	13,300	0.037
3	Treasury stock	-	-	-
<b>Total</b>		<b>218</b>	<b>38,363,579</b>	<b>100</b>

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

**5.4. Treasury stock transactions:** No trading in 2024.

**5.5. Other securities:** Not issued in 2024 .

**6. Report on the Company's environmental and social impacts:**

**6.1. Management of raw materials:**

*a) Total amount of raw materials used to manufacture and package the organization's main products and services during the year:*

– Raw materials used in 2024 for production mainly included chemicals used for water treatment such as: Chlorine 29.2 tons ; PAC 94.9 tons; Caustic Soda (NaOH) 4.3 tons.

– Raw materials used for packaging: None.

*b) Report the percentage of recycled materials used to manufacture the organization's primary products and services:* No

## **6.2. Energy consumption:**

*a) Direct and indirect energy consumption:*

Total electricity consumption is about 5.08 million kw .

*b) Energy saved through energy efficiency initiatives:* No.

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

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

*a) Water supply and water usage:*

Water source: Provided by the Company.

Water usage is about 3,089 m<sup>3</sup>/ year .

*b) Percentage and total volume of recycled and reused water:* None

## **6.4. Compliance with environmental protection laws:**

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

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

## **6.5. Employee related policies:**

*a) Number of employees, average salary for employees:*

– Total number of employees as of December 31, 2024 (excluding the Executive Board): 240 people.

– Income average Workers in 2024 : 9,000,000 VND / person /month.

*b) Labor policy to ensure the health, safety and welfare of workers:* Providing uniforms and labor protection (VND 5,000,000 per employee); purchasing personal insurance ; periodic health check-ups and occupational disease detection for workers ...

*c) Employee training activities:*

Focus on internal training to improve professional skills for Company employees; send employees to exchange and learn experiences from Water Supply Companies and participate in online professional training courses.

## **6.6. Reports relating to responsibility towards local communities:**

Actively participate in contributing to social and charity funds launched by all levels. In 2024, the total amount of contributions from the Company's funds and employees' funds was nearly VND 324 million. Of which:

- Model to help disadvantaged communes and cadres and party members help poor households according to Plan No. 68-KH/TU dated February 14, 2014 of the Provincial Party Standing Committee and Plan No. 64-KH/TU, dated February 28, 2022 of the City Party Standing Committee on promoting the implementation of the Model "Helping disadvantaged villages, neighborhoods and poor households by 2025", specifically:

- + Giving 20 gifts, each worth VND 1,000,000 to 20 poor households in Ward 4, Tuy Hoa city (VND 20 million).

- + Giving 40 gifts, each worth VND 500,000 to 40 poor households in EaTrol commune, Song Tinh district on the occasion of the Lunar New Year of Giap Thin - 2024 (VND 20 million).

- + Giving 20 gifts, each worth VND 500,000 to 20 poor households in EaBia commune, Song Tinh district on the occasion of the Lunar New Year of Giap Thin - 2024 (VND 10 million).

- Accompanying the Women's Union of Phu Yen province: Sponsoring 05 orphans in the area: Tuy Hoa city, Dong Hoa town, Phu Hoa district, Song Tinh district and Dong Xuan district in 2024 (VND 30 million).

- Accompanying the Provincial Vietnam Fatherland Front Committee:

- + Donate to the "For the Poor" Fund in 2024 (VND 20 million).

- + Contribute to support people in the Northern provinces affected by storm No. 3 in 2024 (VND 35 million).

- Accompanying the Department of Labor, Invalids and Social Affairs of Phu Yen province: Donate to the "Repaying gratitude" Fund in 2024 (VND 10 million).

- Accompanying Phu Yen Provincial Labor Federation:

- + Support union members, employees and fishermen in difficult circumstances at the "Tet Sum Vay - Xuan Chia Chia" Program in 2024 organized by the Provincial Federation of Labor (VND 5 million).

- + Support 20 union members and workers in difficult circumstances on the occasion of Workers' Month 2024 (VND 10 million).

- + Donated 1,000 notebooks to disadvantaged students at Ea Lam Primary and Secondary School and Ea Ba Primary and Secondary School, Song Tinh District, Phu Yen Province on the occasion of the Opening Ceremony of the new school year 2024-2025 (VND 10 million).

- + Participate in 04/03 assigned targets to participate in voluntary blood donation organized by the Provincial Labor Federation on June 7, 2024.

- In addition, the Company also supports many social charity works in the province such as:

- + Support the "Humanitarian Tet" movement in the spring of Giap Thin 2024 organized by the Provincial Red Cross Society (VND 5 million).

- + Support employees in difficult circumstances at the Company on the occasion of the Lunar New Year 2024 (VND 25 million).

- + Support for 09 families of employees of the Company in difficult circumstances in the first 6 months of 2024 (VND 70 million).

- + Support 12 families of employees of the Company in difficult circumstances in the last 6 months of 2024 (VND 54 million).

**6.7. Reports related to green capital market activities according to the guidance of the State Securities Commission: No**

### **III. Report and assessment of the Board of Directors**

#### **1. Evaluation of production and business performance:**

##### ***a) Performance evaluation:***

- In 2024, the Company completed the water supply project to An My commune, An Hoa Hai commune, Tuy An district and My Thuan Trong village, Hoa Dong commune, Tay Hoa district, so the number of customers increased, leading to higher water consumption demand than expected.

- The rate of water loss and clean water loss was 15.6%, down 0.1% compared to the plan. In 2024, the Water Supply Branches made many efforts to control water loss, the loss rate decreased compared to 2023 .

- Total revenue and income in 2024 is VND 142,374 million, reaching 104.5% of the plan, of which revenue from clean water business activities is VND 133,810 million (accounting for 94.0% of total revenue and reaching 104.5% of the plan); revenue from other activities is VND 2,674 million (accounting for 1.9 % of total revenue and reaching 102.8% of the plan) and revenue from financial activities of VND 5,870 million (accounting for 4.1% of total revenue and reaching 117.4% of the plan)

- The Company ensures a stable and high-quality supply of clean water for both residential and industrial consumption, meeting demand and contributes to local social security.

- The work of managing, renovating, developing the network and reducing non-revenue water is always invested in and implemented regularly, contributing to making business activities more and more effective.

- The capacity of the management staff is increasingly improved, closely following and ensuring the requirements of the work set out.

– The company always fulfills its tax obligations to the State; care for employees' regimes and policies is ensured and improved, and employees' lives are significantly improved.

***b) Progress the Company has achieved:***

– Applying many advanced technologies in water supply system management such as Scada, using frequency converters to automatically control pressure and flow of level 2 pumping stations according to customers' water needs instead of manual control; continuously monitoring and measuring 24/24 hours a number of important indicators using automatic measuring devices.

– The scope of water supply is increasingly expanding, the proportion of urban population supplied with clean water is higher year after year; the pressure and flow supplied to customers are maintained stably and meet customers' water needs; the quality of clean water products to consumers is always controlled according to the standards of the Ministry of Health.

– Customer care is increasingly focused on, promptly responding to customer requests for installation or consulting on water use after the meter; arranging on-duty staff and ensuring timely reception of all information and feedback from customers. Thereby increasingly improving customer satisfaction with the Company.

– Improve the quality of customer care services; use multiple electronic payment channels to facilitate customers in paying water bills; develop specific action programs aimed at customers to best address customer requests.

– Management regulations and rules are always being improved and amended to suit specific situations.

**2. Financial situation:**

***a ) Asset situation:***

Asset management situation: The Company opens books to monitor in detail the fluctuations of assets in accordance with the provisions of Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance: "Guidelines for Enterprise Accounting Regime". The total value of assets at the end of 2024 is VND 495,271 million.

***b) Debt situation:***

Debt management at the enterprise: The Company opens a detailed ledger for each receivable and payable, periodically reconciling debts; the Company does not have any overdue payable debts.

- Current ratio: (Current assets/Current liabilities): 6.58
- Quick ratio: ((Current assets - Inventory)/Current liabilities): 6.26
- Total Assets Ratio: 0.10
- Debt /Equity Ratio: 0.11

The company uses capital effectively, capital is preserved, ensuring the ability to pay debts (short-term payment capacity: 6.58 times; quick payment capacity is 6.26 times).

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

- Applying Scada software to operate water treatment plants: Tuy Hoa, Tuy An; Tuy Hoa Water Plant in particular invests in full automation; Using frequency converters to control pumps at all water treatment plants of the Company.

- Applying many utilities of information technology in management and providing services to customers through the Company's website with information such as looking up water bill information, paying water bills, information on bank collection links, procedures and progress of handling customer records...

- Diversify water bill payment through the banking system by means of collection authorization; collection via ATM card, collection at bank counters and continue to research more convenient payment channels for customers and increase the proportion of water bills collected without using cash, ensuring the Company's water bill collection and payment management is increasingly safer. Deploy water bill collection software by mobile phone at all water supply branches.

- Gradually build and train a management and customer care team as a basis for managing water supply zones to effectively reduce water loss and better serve customers.

- Issue regulations on rewards and handling of responsibilities in the work of preventing clean water loss and revenue loss to enhance the role and responsibility of managers and employees in participating in preventing clean water loss and determining the material responsibility of those who directly cause water loss, at the same time, motivating and encouraging employees as well as other organizations in the work of managing and preventing clean water loss at the Company.

### **4. Development plan for 2025 :**

#### ***4.1. Production and business plan:***

Pursuant to Decision No. 15 / 2024/ QD- HDBT dated December 26 , 2024 of the Board of Directors of Phu Yen Water Supply and Sewerage Joint Stock Company on Approval of the Production and Business Plan , Investment and Development Plan for 2025 , specifically as follows :

- Total revenue : VND 145,300 million;
- Profit before tax : VND 31,500 million;
- Budget payment (taxes and fees) : VND 15,117 million;
- Dividend rate : 4.0%.

#### ***4.2. Development investment plan:***

Total planned capital for basic construction investment in 2025: VND 114,150 million. Details as follows:



TT	Project name	Construction site	Capital plan for 2025 (million VND)			
			Total	Shareholder capital	Enterprise capital	Loan capital
I	Project transition from 2024		94,450	40,100	14,350	40,000
1	Upgrading and expanding Song Cau water plant from 5,000 m3 / day and night to 8,000 m3 / day and night (Phase 2A)	Song Cau Town	2,100	2,100	0	0
2	Investment project to upgrade the water plant in the Northeast of Song Cau area from 900 m3 / day and night to 10,000 m3 /day and night (Investment phase, period up to 2025: 5,000 m3 / day and night; period up to 2030: 10,000 m3 / day and night)	Song Cau Town	78,000	38,000	0	40,000
3	Developing water supply pipeline network in Tuy An district	Tuy An District	1,850	0	1,850	0
4	Investment in construction of a factory producing bottled and canned purified water	Tuy Hoa city	6,000	0	6,000	0
5	Renovation, repair and replacement of distribution and service pipelines at Water Supply Branch No. 1	Tuy Hoa City, Dong Hoa Town	3,000	0	3,000	0
6	Renovation, repair and replacement of	Tuy An district, Dong	1,500	0	1,500	0

TT	Project name	Construction site	Capital plan for 2025 (million VND)			
			Total	Shareholder capital	Enterprise capital	Loan capital
	distribution and service pipelines at Water Supply Branch No. 2	Xuan district, Song Cau town				
7	Investing in developing a water supply pipeline network for Dan Phu 1 Village, Xuan Phuong Commune, Song Cau Town	Xuan Phuong commune, Song Cau town	2,000	0	2,000	0
<b>II</b>	<b>New investment projects in 2025</b>		<b>19,700</b>	<b>0</b>	<b>19,700</b>	<b>0</b>
1	Replacing DN300mm steel pipe line across old Da Rang bridge	Tuy Hoa City	8,000	0	8,000	0
2	Expanding water supply pipeline in Dong Hoa town area	Dong Hoa town	3,000	0	3,000	0
3	Upgrading and expanding the water supply system of Tuy Hoa city and neighboring areas	Tuy Hoa City, Dong Hoa Town, Tay Hoa District, Phu Hoa District	5,000	0	5,000	0
4	Purchase of spare machinery and equipment	Factories under the Company	2,000	0	2,000	0
5	Renovation of the fence of the level 1 pumping station and Son Hoa wastewater treatment area	Son Hoa district	500	0	500	0
6	Purchase of cars for the Company's production activities	Tuy Hoa City	1,200		1,200	
<b>TOTAL I +II</b>			<b>114,150</b>	<b>40,100</b>	<b>34,050</b>	<b>40,000</b>

#### 4.3. Measures to organize and implement the plan:

***a) Production and business activities:***

- Establish and thoroughly implement a safe water supply plan at factories, focusing on drought and saltwater intrusion prevention to maintain stable water sources; maintain water quality control according to current regulations and standards; maintain machinery, equipment and other infrastructure to ensure the entire system operates stably and safely;
- Strengthening solutions for pipeline network management (zoning, network separation, setting up DMAs, Blocks, installing specialized equipment...) and optimizing operations to reduce water loss, striving to reduce the annual loss rate by 1%/year; building reasonable operating scenarios to save electricity for factories. Complying with environmental protection regulations.
- Promote the application of science and technology in production, especially in system operation, reduce human resources, gradually move towards automation; control input water quality, improve output water quality.
- Promote the implementation of other business lines such as: Construction, design consulting and some advantageous business lines.

***b) Development investment:***

- Focus on implementing new investment projects to build or renovate, increase the capacity of water treatment plants in the plan to be proactive in production capacity to meet the demand for clean water for the socio-economic development of the province and in accordance with the goals of each region. At the same time, gradually implement projects to develop the pipeline network in accordance with the local development speed. Develop a roadmap for implementing projects to meet the demand for clean water for socio-economic development.
- Organize zoning and network separation to regulate flow and pressure for each area in a reasonable and effective manner to control water loss. Invest in developing and expanding the water supply network for areas with water demand.

***c) Business administration:***

- The Board of Directors of the Company and the leaders of the affiliated units closely direct the proposed plan, control the implementation process and results to evaluate and provide timely guidance. Assign annual production and business plan targets and investment and development plans to each unit according to each factory so that the units can be proactive in production management.
- Strengthen and seriously and effectively implement internal and external training to improve the qualifications of staff and workers to operate and manage the water supply system.
- Strengthen labor policies, maximize employees' abilities, and at the same time create a mentality of long-term commitment and dedication to the Company.
- Strengthen discipline and labor discipline in all production activities to ensure

efficiency and safety.

- Strengthen management at water treatment plants, ensure water quality according to current standards and regulations; ensure technical and economic indicators of plants towards safety, efficiency and savings.

***d) Financial solutions:***

- Use annual depreciation of recovered assets; allocate development investment funds from after-tax profits; reduce dividend payout ratio to have capital to implement projects.

- Choose a bank to borrow capital to carry out the project as planned.

**5. Explanation of the Board of Directors regarding the audit opinion:** None

**6. Assessment report related to the Company's environmental and social responsibility:**

*a) Assessment related to environmental indicators:* No

*b) Assessment related to labor issues:*

The entire staff of the Company is always united, unified, and strives to complete the assigned production and business plans. The Company's staff has solid professional qualifications; the team of skilled workers is experienced. The working spirit of the majority of staff and workers has changed positively, promoting a sense of responsibility and self-awareness in work.

*c) Assessment related to corporate responsibility towards local communities:*

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

- Ensure stable production and supply of water, meeting the water needs of customers; the quality of clean water products to consumers is always controlled according to the standards of the Ministry of Health. Contribute to the successful implementation of social security tasks of local authorities.

- Actively participate in contributing to social and charity funds launched by all levels. In 2024, the total amount of contributions from the Company's funds and employees' funds was nearly VND 324 million.

**IV. Board of Directors' assessment of the Company's operations:**

**1. Board of Directors' assessment of the Company's operations:**

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

- Regarding the management and operation of the Company's production activities, it remains stable, ensuring safe and continuous water supply, and quality that meets national technical standards according to Circular No. 41/2018/TT-BYT.

- The activities of the Board of Directors, the Supervisory Board and the Executive Board are maintained in accordance with the charter. The information

disclosure of a public company is strictly implemented.

- Financial and accounting work is carried out in accordance with the provisions of law, ensuring the goal of preserving and developing capital.

## **2. Board of Directors' assessment of the performance of the Company's Board of Directors:**

- The Board of Directors of the Company has performed its management tasks in accordance with its prescribed functions, tasks and powers; at the same time, it has closely coordinated to complete the targets assigned by the Shareholders' Meeting; proactively and promptly handled issues arising in management and operation.

- Ensure the legitimate rights and interests of employees and shareholders of the Company.

## **3. Plans and directions of the Board of Directors:**

### *3.1. Production and business:*

Direct and manage the Company's production and business activities to achieve and exceed the following key targets for 2025:

- Water production : 15,532,000 m<sup>3</sup> ;
- Water consumption : 13,200,000 m<sup>3</sup> ;
- Water loss rate : 15.0% ;
- Total revenue : VND 145,300 million ;
- Profit before tax : VND 31,500 million ;
- Budget payment (taxes and fees) : VND 15,117 million ;
- Dividend rate : 4.0 %.

The company ensures to implement well the solutions for water supply network management and customer care to increasingly improve service quality; effectively manage clean water business indicators to contribute to increasing water revenue in particular and business efficiency in general.

### *3.2. Investment work:*

The total investment of projects in the 2025 investment portfolio is VND 114,150 million, focusing on prioritizing the implementation of key projects as follows:

- Investment project to upgrade the water plant in the Northeast of Song Cau area from a capacity of 900m<sup>3</sup>/day to 10,000m<sup>3</sup>/day, with investment phases, the period up to 2025 will reach 5,000m<sup>3</sup>/day; the period up to 2030 will reach 10,000m<sup>3</sup> / day with a total investment capital of about 110 billion VND (Capital arrangement in 2025 is VND 78 billion: Capital mobilized from shareholders is VND 38 billion, loan capital is VND 40 billion);

- Project to upgrade and expand the water supply system of Tuy Hoa city and neighboring areas with a total investment of VND 992 billion (Capital allocation in 2025: VND 5 billion);

In addition, the Company continues to expand the water supply network

throughout the province to develop water users, cover the water supply network, increase revenue and contribute to the socio-economic development of the province.

### *3.3. About management:*

- Strengthen direction and supervision in the implementation of business operations to ensure the completion of the production and business plan set out in 2025.
- Strengthen discipline and labor discipline in all production activities to ensure efficiency and safety.
- Strengthen management at water treatment plants, ensure water quality according to current standards and regulations; ensure technical and economic indicators of plants towards safety, efficiency and savings.

### *3.4. Regarding human resources - labor:*

- Strengthening the attraction, selection and arrangement of personnel to ensure sufficient number of workers with qualifications, skills and qualities suitable for the job and arranging the right job to achieve the highest efficiency.
- Strengthen training and exploitation to improve professional qualifications, new skills and awareness for employees; aiming to enhance the value of human resources for the Company to increase competitiveness as well as increase the ability to adapt to a changing environment.
- Effective use of human resources: Maximize the working capacity of employees while creating loyalty to the Company; enhance incentive policies such as rewards, early salary increases, promotions, etc. to contribute to improving the spirit and enthusiasm of employees.
- Strengthen welfare services for employees; publicly disclose to each employee labor information such as salary and wage policies, information on recruitment, promotion, training, performance evaluation, etc. so that employees know, strive and stay with the Company for a long time.

## **V. Financial reports:**

**1. The 2024 financial report of Phu Yen Water Supply and Sewerage Joint Stock Company** has been prepared in accordance with regulations.

**2. The company has selected** A&C Auditing and Consulting Company Limited. in Nha Trang to audit the 2024 Financial Statements of Phu Yen Water Supply and Sewerage Joint Stock Company.

### **3. Auditor's opinion:**

The auditor's assessment of the 2024 Financial Statements of Phu Yen Water Supply and Sewerage Joint Stock Company is shown in Audit Report No. 3.0096/25/TC-AC dated March 24, 2025 of A&C Auditing and Consulting Company Limited.

The financial statements have reflected fairly and fairly, in all material respects, the financial situation of Phu Yen Water Supply and Sewerage Joint Stock Company as at December 31, 2024, as well as the business performance and cash flow situation for

the fiscal year ended on the same day, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of Consolidated Financial Statements.

*Phu Yen, April 04, 2025*

**GENERAL DIRECTOR**

***Recipient:***

- Board of Director;
- Head of Supervisory Board;
- Board of Managements;
- Filed at the Office, Information Disclosure Team.

**Do Hoang Long**