**DWC: Explanation of qualified opinion of the audit company of the Financial Statements 2023**

On March 25, 2024, DakLak Water Supply Joint Stock Company announced Official Dispatch No. 60/2024/CV-DWC on the explanation of qualified opinion of the audit company of the Financial Statements 2023 as follows:

On March 22, 2024, DakLak Water Supply Joint Stock Company and AFC Vietnam Auditing Company Limited - Northern Branch prepared the Audited Financial Statements for the fiscal year 2023. In which, the audit company gave qualified opinions:

As of January 1, 2023 and December 31, 2023, in the unfinished production and business expenses and unfinished capital construction item on the balance sheet, there are still a number of unfinished works with a total value of VND 2,064,060,569 incurred in previous years and will not continue in the current year. The Company has not conducted an assessment of the recoverable value of these projects. With the Company's existing documents, we are unable to obtain sufficient appropriate audit evidence about the accuracy and recoverability of this item as well as the impact (if any) on the Financial Statements for the fiscal year ending December 31, 2022.

By the end of the fiscal year, the Company has not accounted the equitization expenses and determined the value of the State capital to hand over to the joint stock company due to the financial problems. The value of payables to the State regarding equitization being recorded in other payables on the balance sheet as of January 1, 2023 and as of December 31, 2023 is VND 2,497,465,174. Depending on the decision of the state management agency, the figures presented in the Financial Statements may be changed when an official decision is made. Receivables and payables on the balance sheet as of January 1, 2023 and as of December 31, 2023 have not been compared and confirmed subjects with receivables and payables, including: Receivable from customers with the amount of VND 4,044,469,208, prepaid to the seller with the amount of VND 237,933,000, other receivables with the amount of VND 1,491,650,727 and payable to the seller with the amount of VND 496,904,992. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, existence and recoverability of these balances and the impact (if any) on the items in the Financial Statements for the fiscal year ending December 31, 2023. As of January 1, 2023 and as of December 31, 2023, the Company is tracking other payable items on the balance sheet of loans from the Japanese Government according to Decision No. 882/QD-UB dated April 5, 2002 of the People's Committee of Dak Lak Province on investment in water supply project in Quang Phu Town, Cu M'Gar District with the amount VND of 8,059,727,581. At the time of preparing this report, the Company has not yet determined the loan object, loan term and interest rate.

The Company would like to explain the above opinions as follows:

DakLak Water Supply Joint Stock Company was officially changed from Dak Lak Water Supply and Construction Investment Company Limited (100% state capital) to a Joint Stock Company that came into operation from July 1, 2019. However, up to now there has been no official Decision approving the settlement of handing over capital and assets from the State Company to the Joint Stock Company, as well as unfinished expenses, unfinished capital construction investment expenses on which the auditor has the above opinion on receivable and payable debts. The Company does not have the legal dossier basis to receive. The Joint Stock Company has also sent dossiers to the People's Committee of Dak Lak Province many times to consider the settlement of the handover of capital and assets to the Joint Stock Company and recommend handling expenses and receivables that the auditor stated.