

Ref. No.: 325 /BC-HWS

Hue city, March 10th 2025

Regarding the explanation of the auditor's
opinion with an exception in the financial
statements for the year 2024

Kindly to:

- The State Securities Commission of Vietnam;
- Hanoi Stock Exchange.

1. Name of organization: Hue Water Supply Joint Stock Company

- Stock code: HWS
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2. Disclosed information

Following the publication of the audited financial statements for the year 2024 of Hue Water Supply Joint Stock Company, audited by Chuan Viet Auditing and Consulting Co.Ltd., there was a statement in the section of background for the qualified opinion of the review report for the financial information in 2024 indicating that: "According to note V.10, 'Construction Cost in Progress' includes:

- Some construction works that originated before 2022 were not tracked in detailed by the Company, with a balance as of December 31st 2024, amounting to VND 24,056,136,226.
- The adjustment amount based on the conclusion of the Thua Thien Hue Provincial Inspectorate in Conclusion No. 1209/KL-TTr dated November 4th 2022, as presented in item b of note V.10, is VND 35,462,016,997.

Hue Water Supply Joint Stock Company would like to provide the explanation regarding the qualified opinion of the independent auditor as follows:

2.1. Regarding the qualified opinion: "Some construction works that originated before 2022 were not tracked in detailed by the Company, with a balance as of December 31st 2024, amounting to VND 24,056,136,226."

- In the audited financial statements for the year 2023: According to the independent auditor's opinion:

"Some construction works that originated before 2022 were not tracked in detailed by the Company, with a balance as of December 31st 2023, amounting to VND 28,109,253,917". In 2024, the Company continued to review and track details for specific



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construction works amounting to **VND 4,053,117,691**. As a result, the remaining balance of construction works not tracked in detailed as of December 31st 2024 is **VND 24,056,136,226**.

The Company will keep reviewing and taking appropriate actions in the upcoming period regarding the construction works that have not been tracked in detailed, as mentioned above.

2.2. Regarding the qualified opinion: “The adjustment amount based on the conclusion of the Thua Thien Hue Provincial Inspectorate in Conclusion No. 1209/KL-TTr dated November 4th 2022, as presented in item b of note V.10, is VND 35,462,016,997”.

- Regarding this issue, the Company has provided a clear explanation in item b of Note V.10 of the 2024 financial statements.

At the same time, the Company has reviewed and addressed VND 7,009,111,724 in 2024 and will keep coordinating with relevant units to review and resolve the issue in 2025.

Besides, the Company has submitted several reports to Thua Thien Hue Provincial Inspectorate (now Hue City Inspectorate) and Thua Thien Hue Department of Finance (now Hue City Department of Finance) requesting guidance on how to handle the accounting procedures. However, until now, the Company has not received any guidance from the two aforementioned organizations. The Company will keep reviewing the matter and making relevant recommendations for resolution in 2025.

(The following reports are attached: No.355/HWS-TCKT dated March 17th 2023; No.908/HWS-KT dated June 26th 2023, and No.1237/BC-HWS dated May 28th 2024)

The above is the explanatory report from Hue Water Supply Joint Stock Company regarding the qualified audit opinion in the 2024 financial statements, submitted to the State Securities Commission and the Hanoi Stock Exchange. *no*

Sincerely Yours, *[Signature]*

Recipients:

- As above; *B*
- Filed: Office, Accounting. *[Signature]*

CHAIRMAN OF THE BOARD



[Signature]
Le Quang Minh