

**JOINT STOCK COMPANY
NGHE AN WATER SUPPLY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No. 226 /CV-CNNA

“Subject: Regarding the explanation of
the audit unit's exception opinion”

Nghe An, August 14th, 2025

Dear: The State Securities Commission;
The Hanoi Stock Exchange.

Nghe An Water Supply Joint Stock Company

Head office: No. 32 Phan Dang Luu – Truong Vinh ward - Nghe An
Province

Phone: 02383 739 739

Website: Nawasco.com.vn

Stock code: NAW

In Independent Audit Report No.2.0497/25/TC-AC dated August 14th, 2025, the independent auditor gave an exception opinion on the Financial Statements for the first 6 months of the fiscal year ending December 31st, 2025 of Nghe An Water Supply Joint Stock Company - Stock code NAW.

The Nghe An Water Supply Joint Stock Company (hereinafter referred to as the Company) would like to provide an explanation for the exception opinions of the auditing firm as follows

1. Regarding the opinion that “ The item “Other receivables” as of June 30, 2025 includes receivables for the value of land use rights of 1,218.4 m2 in Truong Thi ward, Vinh city, Nghe An province, the amount of VND 5,690,610,000 used by the Company to build a social housing project; this land use right has been revoked since 2021 according to Decision No. 297/QD-UBND dated July 27, 2021 of the People's Committee of Nghe An province (see Note V.5a of the Notes to the financial statements). Up to now, the Company has not received a decision from the People's Committee of Nghe An province on the amount of compensation. Therefore, we have no basis to assess the reasonableness and recoverability of this receivable and the amount of loss provision that needs to be set up (if any).”

The Company provides the following explanation:

On May 8, 2021, the Board of Directors of Nghe An Water Supply Joint Stock Company issued Decision No. 09A/QD-HĐQT regarding the discontinuation of the social housing project of Nghe An Water Supply Company and the return of the land to the State.



On June 7, 2021, the People's Committee of Nghe An Province issued Official Letter No. 3625/UBND-CN, assigning the Department of Finance to take the lead and coordinate with relevant agencies to review the proposal of Nghe An Water Supply Joint Stock Company regarding the request for reimbursement of the amount invested by the investor in the project, and to advise the Provincial People's Committee on handling it in accordance with the regulations.

In Decision No. 297/QĐ-UBND dated July 27, 2021, of the People's Committee of Nghe An Province regarding the land revocation in Truong Thi Ward, Vinh City, Nghe An Province, the Provincial People's Committee clearly stated: "The rights and obligations of Nghe An Water Supply Joint Stock Company upon the land revocation shall be implemented in accordance with the law".

Therefore, the Company has recorded the amount of land lease for the plot of land in Truong Thi Ward, which has been paid to the state budget, totaling VND 5,690,000,000, as other receivables.

2. Regarding the opinion "As of June 30th, 2025, the Company is recording the raw water cost payable due to the lack of agreement with the raw water supplier on the value payable on the item "Short-term payable provision", the amount of VND 127,726,582,998 (see Note V.18 of the Notes to the financial statements). Therefore, we do not have sufficient evidence to assess the reasonableness of this payable provision balance, as well as the raw water cost that the Company has recorded in the business results for the year, the amount of VND 6,825,000,000 (same period last year: VND 6,825,000,000)".

The Company provides the following explanation:

Due to the failure to reach an agreement on the unit price for raw water, in order to recognize the expense in a timely manner, the Company has made a provision for the payable raw water costs for the period.

3. Regarding the opinion that "In 2024, the Company changed the depreciation period of some fixed assets, resulting in an increase in depreciation expenses for this period and the previous period of VND 25,591,038,383 and VND 5,694,169,719, respectively. In addition, the Company also applied accelerated depreciation for some fixed assets, resulting in an increase in depreciation expenses for the previous period of VND 5,952,152,650. We have not been provided with sufficient evidence on the reasonableness of this change. If the Company consistently applied the depreciation period according to previous periods, the items "Cost of goods sold" for this period and the previous period would decrease by VND 25,591,038,383 and VND 11,646,322,369, respectively, the item "Accumulated depreciation of tangible fixed assets" at the

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end of the period and at the beginning of the year would decrease respectively 66,056,963,864 VND and 40,465,925,481 VND".

The Company provides the following explanation:

The Company changed the depreciation period of certain assets to more accurately reflect the utilization efficiency of its fixed assets.

Above is the Company's explanation regarding the exception opinion of the independent auditing firm, respectfully submitted to the State Securities Commission and the Hanoi Stock Exchange.

Respectfully submitted./.

Recipient :

- As above;
- Save VT, KT.

GENERAL DIRECTOR



**JOINT STOCK COMPANY
NGHE AN WATER SUPPLY**

**SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

No. *225*/VB-CTCN-KT
"Subject: Explanation of the differences
before and after the review on the
Financial Statements for the first 6 months
of the 2025"

Nghe An, August 14th, 2025

Dear: The State Securities Commission;
The Hanoi Stock Exchange.

Water Supply Joint Stock Company .

Head office: No. 32, Phan Dang Luu, Truong Vinh ward, Nghe An province.

Phone: 02383 739 739

Website: Nawasco.com.vn

Stock code: NAW

Pursuant to Circular No. 155/2015 -BTC dated October 6, 2015, Nghe An Water Supply Joint Stock Company has disclosed the 2024 financial statements, audited by the Hanoi branch of A&C Audit and Consulting Company, on the State Securities Commission and the Hanoi Stock Exchange.

In the 2025 Semi-Annual financial statements, there are some differences before and after the review. Our company would like to provide the following explanation:

1. Sales and service revenue:

Sales and service revenue in the 2025 semi-annual financial report before review: VND 173,581,136,610, after review: VND 173,527,168,648. Difference: VND 53,967,962 due to adjustment of other revenue.

2. Cost of goods sold:

Cost of goods sold in the 2025 Semi-annual Financial Report before review: VND 142,800,470,043, after review: VND 142,802,089,308. Difference: VND 1,619,265 due to adjustment from salary expenses of direct departments.

3. Financial income:

Financial Revenue Indicator in the 2025 Semi-Annual Financial Report before review: VND 1,359,874,278, after review: VND 1,359,875,369. Difference: VND 1,091 due to adjustment of deposit interest.

4. Financial costs:

Financial Expenses in the 2025 Semi-Annual Financial Report before review: VND 3,714,090,020, after review: VND 3,838,009,654. Difference: VND 123,919,634 due to additional investment provision costs.

5. Selling expenses

Sales Expenses in the 2025 Semi-Annual Financial Report before review: VND 8,028,913,491, after review: VND 8,024,165,391. Difference: VND



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4,748,100 due to adjustment of salary expenses of sales staff.

6. Business management costs:

Business management expenses in the 2025 semi-annual financial report before review: VND 18,381,830,261, after review: VND 18,265,358,812. Difference: VND 116,471,449 due to adjustment of salary expenses of the management department and adjustment of some expenses of the management department.

7. Other income:

Income in the 2025 Semi-Annual Financial Report before audit: VND 425,145,497, after audit: VND 433,128,295. Difference: VND 7,982,798 due to additional settlement of customers' water bill debt.

8. Other costs:

Expenses in the 2025 Semi-Annual Financial Report before review: VND 760,463,930, after review: VND 816,160,815. Difference: VND 55,696,885 due to adjustment of environmental protection fee.

9. Total accounting profit before tax:

Total accounting profit before tax in the 2025 semi-annual financial report before review: VND 1,680,388,640, after review: VND 1,574,388,332. Difference: VND 106,000,308 after adjusting the above expenses.

10. Current corporate income tax expense:

Current corporate income tax expense in the 2025 semi-annual financial report before review: VND 336,612,357, after review: VND 315,412,296. Difference: VND 21,200,061 due to change in pre-tax accounting profit.

11. Net Profit After Corporate Income Tax:

Net Profit After Corporate Income Tax in the 2025 semi-annual financial report before audit: VND 1,343,776,283, after audit: VND 1,258,976,036. Difference: VND 84,800,247 after adjusting the above indicators.

Therefore, the Company respectfully submitted this explanation to the State Securities Commission and the Hanoi Stock Exchange.

Respectfully./.

Recipients:

- As above;
- File/Record VP, AC



**JOINT STOCK COMPANY
NGHE AN WATER SUPPLY**

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Independence – Freedom – Happiness**

No. **228**/CV-CNNA

Nghe An, August 14th, 2025

“Regarding the change of Net Profit After Tax in the first 6 months of 2025 by more than 10% compared to the same period last year.”

Dear: - State Securities Commission;
- Hanoi Stock Exchange.

Nghe An Water Supply Joint Stock Company
Head office: No. 32 Phan Dang Luu - Truong Vinh ward - Nghe An
Phone: 02383 844 208 Fax: 02388 668 118
Website: Nawasco.com.vn
Stock code: NAW

Profit after corporate income tax in the Financial Report for the first 6 months of 2025 changed by over 10% compared to the same period last year, specifically: Profit after tax for the first 6 months of 2025: VND 1,258,976,036, for the first 6 months of 2024 is VND 1,625,021,417.

Our company would like to explain as follows:

Currently, the Company is still applying the selling price of clean water consumption according to Decision No. 41/2018/ QD-UBND dated October 2, 2018 of the People's Committee of Nghe An province; the price of clean water consumption has not been adjusted up. Meanwhile, the costs of input materials, wages, electricity bills... increase steadily every year, leading to the Company's after-tax profit being lower than the same period last year.

Therefore, the Company's profit after tax is lower than the same period last year.

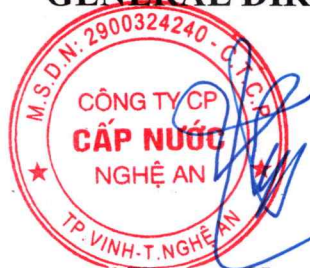
Therefore, the Company made an explanation to submit to the State Securities Commission and Hanoi Stock Exchange.

Best regards./.

Recipient :

- As above;
- File/Record VP, AC

GENERAL DIRECTOR



Hoang Van Hai