

**QUANG NINH CLEAN WATER  
JOINT STOCK COMPANY**

No.: 671 /CTN-TC

Regarding the explanation for the more than 10% increase in after-tax profit in 2025 compared to 2024, and the auditor's qualified opinion on the 2025 financial statements.

**SOCIALIST REPUBLIC OF VIETNAM  
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*Quang Ninh, March 24<sup>th</sup>, 2025*

To:

- Hanoi Stock Exchange;
- State Securities Commission.

*Implementation on the Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance on providing the guideline on information disclosure on the stock market.*

*Based on the 2025 financial statements audited by AASC Auditing Company Limited.*

Quang Ninh Clean Water Joint Stock Company would like to explain the increase of over 10% in business performance compared to 2024 as shown in the 2025 financial report as follows:

Or.	Criteria	Year 2025	Year 2024	Difference	+/- Percent %
1	Total revenue	880.509.169.602	814.470.933.944	66.038.235.658	8,11
2	Total cost	799.948.388.652	743.412.977.160	56.535.411.492	7,6
3	Profit after tax	65.019.586.309	56.813.616.513	8.205.969.796	14,4

Reasons for the increase: In 2025, the socio-economic situation of Quang Ninh province will undergo more comprehensive and positive changes compared to 2024; many political, cultural, and social events will be successfully organized; many industrial parks will operate at increased capacity; key provincial projects will be implemented synchronously; therefore, the new investment projects in the water supply network system of the Company will be effective, leading to an increase in the consumption of tap water by customers, contributing to a total revenue increase of 8.11% in 2025 compared to 2024. On the other hand, the Company will continue its policy of saving input costs. Therefore, after-tax profit in 2025 will increase by 14.4% compared to after-tax profit in 2024.

The company would like to provide the following detailed explanation regarding the qualified audit opinion on the 2025 financial statements:

The Quawaco's Services and Apartment Complex Project was approved by the Quang Ninh People's Committee to allow Quang Ninh Water Supply and Construction Company (now Quang Ninh Clean Water Joint Stock Company) to make plan to build the apartments on the area of 1,959.0 m<sup>2</sup> in Document No. 245/UBND-QLDD dated January 12<sup>th</sup>, 2007. On November 17<sup>th</sup>, 2010, the Quang Ninh People's Committee issued Investment Certificate No.

22.121.000.161 for the project, of which: total investment: 252,224 million VND for the purpose of building apartments for sales to employees and other partners. Implementation progress: construction started in the fourth quarter of 2010; completed and put into operation in the fourth quarter of 2013. The project has been approved by the People's Committee of Quang Ninh Province with a scale of 1/500 master plan, ensuring legality. On January 21<sup>st</sup>, 2016, Ha Long City People's Committee issued Decision No. 233/QD-UBND on approving the adjustment of the total floor plan at a scale of 1/500, adjusting the number of floors of the building from 16 aboveground floors, 02 basement floors to 11 aboveground floors and 01 basement floor.

Due to the quiet situation of real estate market, the project cannot attract capital from buyers wishing to buy a house. Therefore, the Company does not have sufficient capital to continue investing in the project. In addition to that the Decree No. 91/2015/ND-CP dated October 13<sup>th</sup>, 2015 of the Government on investment of State capital in enterprises and management and use of capital and assets at Enterprises, in which point b and c, Clause 1, Article 21 stipulates *"State-owned enterprises are not allowed to contribute capital or invest in real estates"*; *"In cases where state-owned enterprises have contributed capital and invested in the fields specified in Point b of this Clause and are not subject to investment approval by the Prime Minister, they must implement a plan to restructure and transfer the entire amount of capital invested according to regulations"*.

The project has stopped investing since December 2013, the value of unfinished costs as of June 30<sup>th</sup>, 2025 recorded on the Financial Statement is 61,522,861,960 VND.

The project has received input from the State Audit Office Region VI, the Quang Ninh Provincial Inspectorate, the Inspectorate of the Department of Planning and Investment, and the Inspectorate of the Department of Natural Resources and Environment.

Implement the current Government's policy of removing obstacles (Prime Minister's Official Dispatches No. 112/CD-TTg dated November 6, 2024, No. 125/CD-TTg dated December 1, 2024, No. 13/CD-TTg dated February 8, 2025 and Official Dispatch No. 26/CD-TTg dated March 31, 2025) on reviewing projects with difficulties, obstacles, and long-term backlogs, urgently finding solutions to immediately implement projects, contributing to promoting socio-economic development, not wasting assets and money of the state, businesses, people and society.

+ On April 22, 2025, the Company sent Document No. 935/CTN-BC to the Department of Finance reporting on the proposal to convert the The Quawaco's Services and Apartment Complex Project into the Hong Gai Water Company Headquarters.

+ On May 7, 2025, the Department of Finance issued Document No. 1938/STC-QLDT reporting to the Provincial People's Committee for consideration and agreement on the policy of allowing the project conversion

according to the proposal of Quang Ninh Clean Water Joint Stock Company.

+ On June 6, 2025, the Company sent Document No. 1361/CTN-QLDT to the Provincial People's Committee and requested the Provincial People's Committee to consider and give instructions on the resolution of the contents reported and proposed by the Department of Finance and the Company.

+ On June 13, 2025, the Provincial People's Committee Office issued Document No. 4155/VP.UBND-TC to the Departments of Finance, Construction, Agriculture and Environment; to the Provincial Inspectorate and the Company, in which the Company was assigned to study the document of the Department of Finance, based on the actual situation and authority, legal provisions on planning, investment, and land to implement the following procedures according to regulations; assigned the departments to coordinate and guide the Company to implement according to regulations.

+ On June 26, 2025, the People's Committee of Quang Ninh province issued Document No. 2147/UBND-TC on giving opinions on the plan to distribute after-tax profits in 2024 and organize the 2025 Annual General Meeting of Shareholders of Quang Ninh Clean Water Joint Stock Company, including the content of approving the report to the owner on the implementation status of the Quawaco Service Apartment Building Project and the plan to convert it into an investment project to build the Hong Gai Water Unit Headquarters: The Provincial People's Committee gave opinions in Document No. 4155/VP.UBND-TC dated June 13, 2025, the representative of the state capital portion at the enterprise participated in giving opinions, voting, and deciding on the above issues at the 2025 Annual General Meeting of Shareholders in accordance with regulations.

+ At the 2025 Annual General Meeting of Shareholders, the Company approved the report on the implementation status of the Quawaco Apartment Building Project and the plan to convert the investment purpose into the Hong Gai Water Company Headquarters Construction Investment Project.

+ On July 9, 2025, the Department of Construction issued document No. 4069/SXD-QLĐTXD regarding the implementation of the Quawaco mixed-use apartment building project, providing guidance on several aspects related to the investment and construction of the Quawaco mixed-use apartment building and the plan to convert it into an investment project for the construction of the Hong Gai Water Unit headquarters.

+ On December 4, 2025, after completing the topographic survey and mapping at a scale of 1/500, the consulting unit prepared the project adjustments and revised the planning to the Hong Gai Water Unit Headquarters and submitted them to the People's Committee of Ha Long Ward for appraisal as per regulations.

The company issued Resolution No. 690-NQ/NK3-HĐQT dated July 10, 2025 and Resolution No. 722-NQ/NK3-HĐQT dated July 26, 2025 on

approving the proposal to hire consultants to carry out 02 bidding packages: (1) Topographic survey and mapping at a scale of 1/500, preparation of a 1/500 scale overall site plan and preparation of a proposal report on investment policy and a feasibility study report on project adjustments; (2) Survey, inspection and assessment of the current structural quality of the Hong Gai Agricultural Enterprise Headquarters project in Ha Long ward, Quang Ninh province (converted from the Quawaco mixed-use apartment building project).

+ Regarding the bidding package for topographic survey and mapping at a scale of 1/500, preparation of the adjusted master plan at a scale of 1/500, and preparation of the investment policy proposal report and the adjusted feasibility study report: The consulting unit has completed the topographic survey and mapping at a scale of 1/500, the adjustment of the project, and the adjustment of the planning to the Hong Gai Water Unit Headquarters. On December 4, 2025, the company submitted the adjusted planning documents to the People's Committee of Ha Long Ward for appraisal according to regulations.

+ Regarding the survey bidding package, inspection, and assessment of the current structural quality of the Quawaco mixed-use apartment building: The consulting and inspection unit has completed the inspection of the entire existing structure and prepared an inspection report for submission to the Investor on September 25, 2025. According to the inspection unit's conclusion, the building is eligible for conversion to the Hong Gai Water Unit Headquarters; however, some immediate repair and renovation work is needed to ensure the quality of the building.

At this point, the company is awaiting the results of the appraisal of the revised planning for the project to relocate to the Hong Gai Headquarters by the People's Committee of Ha Long Ward. After the revised planning is approved, the company will proceed with the next steps of the project according to regulations.

The above is the explanations of Quang Ninh Clean Water Joint Stock Company, the Company would like to report to the Hanoi Stock Exchange and the State Securities Commission for reference./.

Thank you very much.!

***Receiving and Filling:***

- as above (report);
- Board of management, executive board (coordination);
- Supervisory Board (p/h);
- Files: VT, TC.

**ON BEHALF OF THE BOD  
CHAIRMAN**

**Vu Van Tuan**

