HUE WATER SUPPLY JOINT STOCK COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No.: 2089 /BC-HWS
Regarding the explanation of the qualified audit opinion in the 2026 Interim Financial Statements

Hue city, August 12th 2026

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

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

1. Name of Company: Hue Water Supply Joint Stock Company (HueWACO).

2. Stock code: HWS

3. Head Office: 103 Bui Thi Xuan St., Thuan Hoa ward, Hue city

2. Disclosed Information:

In connection with the disclosure of Hue Water Supply Joint Stock Company's 2026 Interim Financial Statements, which were audited by Chuan Viet Auditing and Consulting Company Limited, the Basis for Qualified Conclusion section of the Review Report on the Interim Financial Information for 2026 states: *"According to Note V.11 'Construction in Progress', certain construction projects incurred prior to 2022 were not separately tracked by individual project by the Company, with a balance of VND 11,373,016,520 as of 30 June 2026 (compared to an opening balance of VND 24,056,136,226). Based on the documents currently available at the Company, we were unable to perform alternative procedures to obtain sufficient appropriate audit evidence regarding the existence of the above balances and the potential impact, if any, on other related line items in the accompanying financial statements for the six-month accounting period ended 30 June 2026."*

Regarding the above qualified audit opinion, the Company would like to provide the following explanation:

The above-mentioned construction in progress costs relate to construction projects incurred in 2022 and prior years. During the previous accounting period, the accounting function did not maintain detailed records by individual project. As these balances accumulated over a number of years, and the supporting records and documentation relating to individual projects had not been fully collected, monitored and updated by project, certain balances have not yet been separately tracked by individual project as of the current reporting date. This is an issue that the Company has identified and has been actively reviewing and addressing over the past several years.

In the course of addressing this matter, the Company has proactively reviewed and reconciled relevant records, supporting documents and information relating to each project, while assigning relevant departments and personnel to coordinate in the process. Accordingly, the Company has gradually identified, classified and resolved the outstanding balances. As a result of these continuous efforts, the balance of construction projects that had not been separately tracked by individual project has gradually decreased over the years.

Specifically, as of 31 December 2025, the total value of construction projects that had not been separately tracked by individual project amounted to **VND 24,056,136,226**. During the first six months of 2026, the Company proactively assigned relevant departments to continue reviewing, examining and carrying out the necessary work to address these balances. As a result, the balance of construction projects that had not been separately tracked by individual project decreased to **VND 11,373,016,520** as of 30 June 2026.

The Company will continue to focus on reviewing these balances and proactively assign relevant departments and personnel to coordinate the review and take appropriate measures to fully resolve the outstanding balances in the coming period.

The above constitutes the explanation of Hue Water Supply Joint Stock Company regarding the qualified audit opinion on its 2026 Interim Financial Statements, submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange.

Best regards,

Recipients:
- As above;
- Archived: Office, Accounting.

CHAIRMAN
OF THE BOARD OF DIRECTOR

CÔNG TY CỔ PHẦN CẤP NƯỚC HUẾ

LE QUANG MINH