

PEOPLE'S COMMITTEE OF HUE CITY  
**HUE WATER SUPPLY JSC.**

THE SOCIALIST REPUBLIC OF VIETNAM  
**Independence – Freedom – Happiness**

Ref. No.: 379 /HWS-TC

Hue, March 2025

Regarding the qualified audit opinion  
for three consecutive years

Kindly to:

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

Hue Water Supply Joint Stock Company (hereinafter referred to as HueWACO) has received Notification No. 993/TB-SGDHN dated March 13<sup>th</sup> 2025, and Decision No. 144/QD-SGDHN dated March 13<sup>th</sup> 2025 from Hanoi Stock Exchange regarding the classification of its shares as under warning. This is due to the fact that the Company's financial statements for three consecutive years have been issued with an audit opinion excluding certain items, in accordance with section a, Clause 1, Article 33 of the Regulation on Registration and Management of Unlisted Securities Transactions, which was issued with Decision No. 34/QD-HDTV dated November 16<sup>th</sup> 2022 by the Board of Members of Vietnam Stock Exchange. In relation to this matter, the Company would like to provide the following explanation:

**I. Regarding the exclusion of certain projects that the Company does not track in detailed on a project-by-project basis**

**1. Audit Opinion:** In section a, Note V.10 of the audited financial statements for the years 2022, 2023, and 2024, the independent auditor expressed a qualified opinion as follows: "Certain projects of the Company were not tracked in detailed by each individual project, with the balances as of December 31<sup>st</sup> 2022, amounting to **54,406,237,536 VND**; as of December 31<sup>st</sup> 2023, the balance was **28,109,253,917 VND**; and as of December 31<sup>st</sup> 2024, the balance was **24,056,136,226 VND**."

**2. Explanation:** These figures correspond to balances tracked before December 31<sup>st</sup> 2021. At that time, the Accounting Department had not yet fully tracked and recorded each project in detailed, which led to the qualified audit opinion mentioned above. The Company has since instructed the Finance and Accounting Department to review and adjust the tracking and accounting for each individual project. By the end of 2024, the Company had actively reviewed, processed, and tracked in detailed for projects totaling **30,350,101,310 VND**, leaving **24,056,136,226 VND** (54,406,237,536 VND - 30,350,101,310 VND) in projects still not fully tracked as of December 31<sup>st</sup> 2024. The Company will continue to review and resolve this issue in the future.

**II. The adjustment based on the conclusion of the Thua Thien Hue Provincial Inspectorate (now Hue City Inspectorate) in Conclusion No. 1209/KL-TTr dated November 4, 2022**





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**1. Audit Opinion:** In section b, Note V.10 of the audited financial statement for the year 2024, the independent auditor expressed a qualified opinion as follows: *"The adjustment based on the conclusion of Thua Thien Hue Provincial Inspectorate in Conclusion No. 1209/KL-TTr dated November 4<sup>th</sup> 2022 as presented in section b, Note V.10, amounts to 35.462.016.997 VND."*

**2. Explanation:** Regarding this matter, the Company has submitted a report to Hue City Inspectorate and the State capital Owner (Hue City People's Committee), as well as the General Shareholders' Meeting, to determine the appropriate course of action. The Company will continue to seek guidance from the relevant authorities to resolve this issue definitively in the near future.

Above is the explanation letter from Hue Water Supply Joint Stock Company regarding the qualified audit opinion in the financial statements for three consecutive years, submitted to the State Securities Commission and Hanoi Stock Exchange. 

Sincerely yours, 

**Recipients:**

- As above;
- Filed: Office, Accounting. 

  
**CHAIRMAN OF THE BOARD**  
**Le Quang Minh**

