

**DAK LAK WATER SUPPLY JOINT
STOCK COMPANY**

No.: 76/2026/CV-DWC

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

*Re: Regarding the explanation concerning the
audited financial statements for the fiscal
year ended December 31, 2025, which
included a qualified audit opinion.*

Dak Lak, March 30, 2026

**To: - State Securities Commission of Vietnam
- Hanoi Stock Exchange**

1. Introduction of the information-disclosing organization:

Full name: Dak Lak Water Supply Joint Stock Company

Stock code: DWC

Head office: No. 339 Ton Duc Thang, Tan An Ward, Dak Lak Province, Vietnam

Telephone: 02623 852254

2. Contents of the disclosed information:

Dak Lak Water Supply Joint Stock Company would like to clarify the audited financial statements for the fiscal year ending December 31, 2025, which contain the following specific qualified audit opinion:

On March 25, 2026, Dak Lak Water Supply Joint Stock Company and AFC Vietnam Auditing Company Limited – Northern Branch prepared the audited financial statements for the fiscal year ending December 31, 2025. In these statements, the auditing firm issued a qualified audit opinion:

“As of January 1, 2025 and December 31, 2025, the work-in-progress and unfinished construction costs item on the balance sheet still includes several unfinished projects with a total value of VND 2,064,060,569, which originated from previous years and will not be continued in the current year. The Company has not yet assessed the recoverable value of these projects. With the Company's existing documents, we cannot obtain sufficient appropriate audit evidence regarding the accuracy and recoverability of this item, as well as its impact (if any) on the financial statements for the fiscal year ending December 31, 2025.

By the end of the fiscal year, the Company has still not finalized the equitization costs and determined the value of the state capital to be transferred to the joint-stock company due to outstanding financial issues.” The value of the amount payable to the State for equitization is recorded under "other payables" on the balance sheet as of January 1, 2025 and December 31, 2025, at VND 2,497,465,174. Depending on the decision of the Management Authority, the figures presented in the interim financial statements may change upon official decision.

The accounts receivable and payable on the balance sheet as of January 1, 2025 and December 31, 2025 have not been reconciled and confirmed with the relevant parties, including: accounts receivable from customers amounting to VND 4,030,199,208, prepayments to suppliers amounting to VND 237,933,000, and other receivables. 1,429,121,727 VND and payable to suppliers in the amount of 496,904,992 VND. Therefore, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, existence, and recoverability of these balances, as well as their impact (if any) on the items in the interim financial statements for the fiscal year ended December 31, 2025.

As of January 1, 2025 and December 31, 2025, the Company is tracking, under the "Other Payables" item on the balance sheet, a loan from the Japanese Government under Decision No. 882/QĐ-UB dated April 5, 2002, of the People's Committee of Dak Lak Province regarding the investment in the Quang Phu Town Water Supply Project, Cu M'Gar District, in the amount of 8,059,727,581 VND. As of the time of preparing this report... According to this report, the company has not yet identified the borrower, the loan term, and the interest rate".

Regarding the above comments, the Company would like to explain as follows:

Dak Lak Water Supply Joint Stock Company was officially transformed from Dak Lak Water Supply and Construction Investment Company Limited (100% state-owned capital) into a joint stock company, commencing operations on July 1, 2019. However, to date, there has been no official decision approving the final settlement of the transfer of capital and assets from the 100% state-owned Limited Liability Company to the joint stock company. Furthermore, the Joint Stock Company lacks the legal basis to receive the unfinished production and business expenses, unfinished basic construction investment expenses, and accounts receivable and payable that the auditors have commented on. The Joint Stock Company has repeatedly sent written requests to the People's Committee of Dak Lak province. Currently, the People's Committee is considering and directing relevant agencies to advise on resolving the issue definitively, aiming to finalize the handover of capital and assets to the Joint Stock Company, as well as address the requests related to unfinished expenses, capital construction investment costs, accounts receivable, etc., as mentioned in the audit report. Therefore, the audited financial statements for the fiscal year ending December 31, 2025, contain a qualified opinion.

The above is the Company's explanation submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for acknowledgment.

Sincerely,

Recipients:

- *As addressed;*
- *Archive.*

**DAK LAK WATER SUPPLY
JOINT STOCK COMPANY**



Do Hoang Phuc