

**QUANG NINH CLEAN WATER  
JOINT STOCK COMPANY**

No.: 2263/CTN-TC

Regarding the explanations of  
exceptional audit opinions on the  
2025 semi-annual financial report

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

*Ha Long Ward, August 14<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 semi-annual financial statements audited by AASC Auditing Company Limited.*

Quang Ninh Clean Water Joint Stock Company would like to explain the exceptional audit opinions on the 2025 semi-annual financial report with details as follows:

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 30th, 2025 recorded on the Financial Statement is 61,522,861,960 VND.

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 Company 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.

Up to this point, the Company is working with the Consultant to review and re-evaluate the quality of the project and carry out procedures to adjust the detailed planning at a scale of 1/500 to implement the next steps 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);
- Files: VT, TC.

ON BEHALF OF THE BOD  
CHAIRMAN



Vu Van Tuan