

**BAC GIANG CLEAN WATER
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No: *438* /CV-NSBG

Bac Ninh, 12 August, 2026

V/v Explanation of the Auditor's Emphasis
of matter in the Reviewed Interim
Financial Statements for the Six-Month
Accounting period ended June 30, 2026

To : - **STATE SECURITIES COMMISSION**
 - **HANOI STOCK EXCHANGE**

The interim financial statements for the six-month accounting period ended June 30, 2026 of Bac Giang Clean Water Joint Stock Company were reviewed by Vietvalues Audit and Consulting Co., Ltd. However, in the Auditor's Report, the auditor included an Emphasis of Matter paragraph, specifically as follows:

The problem needs to be emphasized:

We note the reader to:

Notes V.15 and V.18a on payable expenses in the Selected Financial Statement Notes, in which the temporary depreciation of fixed assets of the Doi Ngo water supply system, Luc Nam district, Bac Giang Province (old), (now Luc Nam Commune, Bac Ninh Province), is described as follows:

According to Decision No. 262/QD-UBND of the People's Committee of Bac Giang province (now Bac Ninh province) dated February 11, 2015 on approving the final settlement of the completed project of the Doi Ngo water supply system, Luc Nam district, Bac Giang Province (old), (now Luc Nam Commune, Bac Ninh Province) with a settlement value of VND 39.442.075.000. According to Notice No. 230/UBND-XD of the People's Committee of Bac Giang province (now Bac Ninh province) dated January 25, 2014, the People's Committee of the province agreed to let the People's Committee of Luc Nam district (now Luc Nam Commune) hand over the above project to Bac Giang Water Supply and Drainage One Member Co., Ltd., now Bac Giang Clean Water Joint Stock Company, to manage and operate the above project. However, the Company has not yet received the handover minutes of the People's Committee of Luc Nam district (now Luc Nam Commune) for the unit on the above project, so the unit has temporarily deducted depreciation for this Project to have the capital to pay when receiving the handover from the managing unit in the year according to the settlement value of the People's Committee of Bac Ninh province (formerly Bac Giang Province) as at June 30, 2026, with the total amount temporarily appropriated being VND 17.650.328.563. Currently, the Company is monitoring the assets held for safekeeping of items outside Interim Statement of Financial Position, awaiting handling instructions from the competent state agency.

Our audit conclusion is not related to this issue.

The Company's explanation regarding the above matter is as follows:

- Regarding the above-mentioned Emphasis of Matter: The Doi Ngo Town Water Supply System Project in Luc Nam District, Bac Giang Province (former) has not yet been officially handed over to Bac Giang Clean Water Joint Stock Company. The Company has repeatedly submitted recommendations and proposed solutions to this matter. The People's Committee of Bac Giang Province (former) has issued an official document directing the relevant departments and agencies to continue to closely follow applicable regulations and conduct further research and provide recommendations to the People's Committee to facilitate the handover of the assets in the coming period. At the same time, the Company has continued to be assigned responsibility for managing and operating the system to ensure safe and stable water supply to residents within the service area until the handover is completed.

The above is the explanation provided by Bac Giang Clean Water Joint Stock Company regarding the Emphasis of Matter raised by the auditor in the Reviewed Interim Financial Statements for the six-month accounting period ended June 30, 2026, reviewed by Vietvalues Audit and Consulting Co., Ltd

Sincerely!

Recipients:

- As addressed;
- Archive: Clerical./.

**BAC GIANG CLEAN WATER JOINT STOCK
COMPANY**

Chairman of the Board of Directors



Huong Xuan Cong