

No.: 64/2025/CV-DWC

*Dak Lak, March 25, 2025*

*Regarding the explanation of the audited  
financial statements, there was an  
exception conclusion.*

**To: - State Securities Commission;  
- Hanoi Stock Exchange.**

**1. Introduction to the information disclosure organization:**

Full organization name: **Dak Lak Water Supply Joint Stock Company**

Stock code: **DWC**

Head office: No. 339 Ton Duc Thang, Tan An Ward, Buon Ma Thuot City, Dak Lak Province

Phone: 02623 852254

**2. Information disclosure content:**

Dak Lak Water Supply Joint Stock Company would like to explain that the 2024 audited financial statements have given specific conclusions as follows:

On March 17, 2024, 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, 2024. In which, the auditing unit gave specific conclusions as follows:

As at January 1, 2024 and December 31, 2024, in the items of cost of production in progress and construction in progress on the balance sheet, there are still some works with a total value of VND 2,064,060,569 has arisen from previous years and not continued in the current year. The Company has not yet conducted an assessment of the recoverable value of these works. With the Company's existing documents, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy and recoverability of this item, and the effect (if any) on the financial statements for the financial year ended December 31, 2024.

By the end of the fiscal year, the Company has not yet been able to finalize the cost of equitization and determine the value of the State capital to hand over to the Joint Stock Company due to the fact that it has not dealt with the outstanding financial problems. The value of payables to the State for equitization being recorded in other payables on the balance sheet as at January 1, 2024 and as at December 31, 2024 is VND 2,497,465,174. Depending on the discretion of the Regulator, the amounts presented in the financial statements may be subject to change upon final decision.

Receivables and payables on the balance sheet as at January 1, 2024 and as at December 31, 2024 have not yet been reconciled and confirmed with the receivables and payables of which: collected from customers in the amount of VND 4,044,469,208, prepaid to the seller in the amount of VND 237,933,000, other receivables in the amount of VND 1,491,650,727 and payable to the seller in the amount of VND 496,904,992. Accordingly, we were unable to obtain sufficient appropriate audit evidence about the accuracy, existence and recoverability of these balances and the

effect (if any) on the items in the statements financials for the year ended December 31, 2024.

As at January 1, 2024 and as at December 31, 2024, the Company has tracked of other payables on the balance sheet of the Japanese Government loan in accordance with Decision No. 882/QD-UB issued April 5, 2002 of the People's Committee of Dak Lak province on the investment in the water supply project of Quang Phu town, Cu M'Gar district with the amount of VND 8,059,727,581. At the time of this report, the Company has not yet determined the loan object, loan term and interest rate.

Regarding the above opinions, the Company would like to explain as follows: Dak Lak Water Supply Joint Stock Company was officially converted from Dak Lak Water Supply and Construction Investment Company Limited (100% state capital) to a Joint Stock Company and has been operating since July 1, 2019. However, up to now, there has been no official Decision approving the settlement of capital and assets transfer from the State Company to the Joint Stock Company, as well as the unfinished costs, unfinished construction investment costs, receivables payable that the auditors have commented on above, the Joint Stock Company does not ensure the legal basis for receiving. The Joint Stock Company has sent many documents to the Dak Lak Provincial People's Committee. Currently, the Provincial People's Committee is considering directing relevant agencies to advise on a final settlement to transfer capital and assets to the Joint Stock Company as well as handle recommendations related to unfinished expenses, construction investment costs, receivables... as stated by the auditor, so the audited Financial Statements have given an exception conclusion.

The above is the opinion of Dak Lak Water Supply Joint Stock Company, which would like to send an explanation to the State Securities Commission and the Hanoi Stock Exchange for information.

Best regards,

**DAK LAK WATER SUPPLY JOINT STOCK  
COMPANY**

**Recipients:**

- As above;
- Filing: Archived;



**DO HOANG PHUC**

