

**BAC GIANG CLEAN WATER
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No: *162*/CV-NSBG

Bac Ninh, 17 March 2026

Re: Explanation of the Emphasis of Matter
raised by the auditor in the Independent
Auditor's Report on the Financial
Statements for the fiscal year ended 31
December 2025

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

The Independent Auditor's Report on the Financial Statements for the fiscal year ended 31 December 2025 of Bac Giang Clean Water Joint Stock Company was audited by Vietvalues Auditing and Consulting Company Limited. However, in the auditor's conclusion, an Emphasis of Matter paragraph was included as follows:

Emphasis of Matter:

We draw the readers' attention to:

- Note V.15 in the Notes to the Financial Statements, which describes the following:

According to Decision No. 262/QĐ-UBND issued by the People's Committee of Bac Giang Province dated 11 February 2015 regarding the approval of the final settlement of the completed construction project of the Doi Ngo Water Supply System in Luc Nam District, with a settlement value of VND 39.442.075.000. According to Official Dispatch No. 230/UBND-XD issued by the People's Committee of Bac Giang Province dated 25 January 2014, the Provincial People's Committee approved that the People's Committee of Luc Nam District transfer the above project to Bac Giang Water Supply and Drainage One Member Company Limited, now Bac Giang Clean Water Joint Stock Company, for management and operation. However, up to now, the Company has not yet received the official handover minutes from the People's Committee of Luc Nam District for the above project. Therefore, the Company has temporarily recorded depreciation for this project in order to create a source of funds payable upon receiving the official transfer from the competent authority based on the settlement value approved by the People's Committee of Bac Giang Province. As of 31 December 2025, the total temporarily recorded depreciation amounts to VND 16.368.461.125. Currently, the Company is monitoring this asset as assets held on behalf of others under off-balance sheet accounts, pending further instructions from the competent state authorities.

Our audit opinion is not modified in respect of this matter.

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

- Regarding the matter stated in Note V.15: The Doi Ngo Town Water Supply System Project in Luc Nam District has not yet been officially handed over to Bac



Giang Clean Water Joint Stock Company. The People's Committee of Bac Giang Province (former) has issued official instructions directing relevant departments and agencies to continue reviewing applicable regulations and advising the Provincial People's Committee to carry out the handover of the asset in the near future. At the same time, the Company has been assigned to continue managing and operating the project in order to ensure safe and stable water supply to residents in the service area until the handover procedures are completed.

The above constitutes the explanation of Bac Giang Clean Water Joint Stock Company regarding the Emphasis of Matter paragraph raised by the auditor in the Independent Auditor's Report on the Financial Statements for the fiscal year ended 31 December 2025, issued by Vietvalues Auditing and Consulting Company Limited.

Sincerely yours!

Recipients:

- As stated above;
- Archives./.

BAC GIANG CLEAN WATER

JOINT STOCK COMPANY

Chairman of the Board of Directors



Huong Xuan Cong

