

**VIETNAM WATER AND ENVIRONMENT
INVESTMENT CORPORATION - JSC
(VIWASEEN)**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ref: 211/2026/CV-VIW

Hanoi, 27 March 2026



Subj: *Explanation of certain contents in the
Audited Financial Statements of Mother company
for the year 2025*

To: State Securities Commission

Vietnam Water and Environment Investment Corporation - JSC (VIWASEEN) would like to extend our respectful greetings and express our gratitude for the your assistance during the recent times

Based on the Mother company's financial statements for the year 2025 of VIWASEEN Corporation,

Following the provisions of the Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance regarding the disclosure of information on the securities market, VIWASEEN would like to explain the changes in net profit after tax (NPAT) on the financial statements for the year 2025 compared to the year 2024 as follows:

1. Changes in Profit After Tax (PAT) in the 2025 Financial Statements compared with 2024:

NPAT for the year 2025 is VND 916 million, compared to VND 1,528 million for the year 2024, representing a decrease of VND 612 million, primarily due to:

+ The gross profit from sales and service provision increased by VND 10,156 million, driven by the gross profit from construction works, production of treated water and services provision of Viwaseen buildings, which rose compared to the same period.

+ Financial revenue increased by VND 901 million due to a rise in dividend income.

+ Financial expenses increased by VND 3,037 million due to higher financial provision and interest expenses declined.

+ Corporate management expenses increased by VND 9,545 million due to the company's provision for doubtful receivables.

+ Corporate income tax expenses decreased by VND 535 million due to a decrease of 1% of provisional corporate income tax in Cambodia compared to the same period.

2. Explanation of the qualified opinion in the audited financial statements of Mother company for 2025:

According to Independent Audit Report No. 97/2026/BCKT-AVI-TC1 dated March 27, 2026 issued by An Viet Auditing Company Limited, the qualified opinion of the auditing firm in the financial statements for the fiscal year 2025 relates to the following matters:

+ In the audited consolidated financial statements for the year 2024 and prior years, we issued a qualified opinion due to the fact that The Corporation is currently monitoring a number of overdue receivables, prepayments to suppliers, and advances

related to several projects that were finalized in previous years (details are presented in Note 8), as well as certain receivable balances that have not yet been fully reconciled. At the same time, the Corporation is continuing to perform reconciliations for internal settlement of several completed construction projects, including a number of projects that remain outstanding and prolonged, which are currently reflected in the balance of the Work-in-progress construction costs account (details are presented in Note 10). The above matters continue to affect the 2025 financial statements. Although alternative procedures have been performed, we were unable to obtain sufficient appropriate audit evidence to assess the impact of the above matters on receivable balances and the provision for doubtful debts as well as slow-moving and obsolete inventories as at December 31, 2025.

Some of the Corporation's subsidiaries and associates are currently experiencing financial difficulties and have not provided complete audited financial statements or self-prepared financial statements for the fiscal year ended December 31, 2025. The Corporation's plan to restructure its financial investment portfolio has been approved by the General Meeting of Shareholders for the 2021–2025 term (as presented in Notes 15 and 16), and a provision for long-term financial investments has been recognized in the amount of VND 47.162 billion. However, we were unable to obtain sufficient appropriate audit evidence to assess the adequacy of the provision for long-term financial investments required to be recognized as at December 31, 2025.

Regarding the qualified audit opinion, VIWASEEN Corporation provides the following explanations:

- Regarding the reconciliation of accounts receivable from customers: Due to the specific nature of the Corporation as a construction and installation enterprise, employers are located in various and often distant geographical areas, and personnel frequently change. This creates significant difficulties for the Corporation in confirming and reconciling receivables for financial statement audits as well as receivables management. Therefore, although the Corporation has made considerable efforts in this work, the reconciliation rate of receivables remains relatively low. For certain receivables related to projects that were finalized in previous years, the Corporation continues to actively reconcile balances, review and examine documentation to classify the aging of debts as well as the status of debtors in order to facilitate management, collection, and the provisioning for doubtful debts in accordance with regulations. The Corporation has also established debt recovery and handling committees to review, examine, and complete receivable documentation, and to propose appropriate debt settlement measures in an effort to gradually resolve outstanding receivables.

- Regarding work-in-progress costs of completed construction projects: The Corporation has established a capital recovery and project finalization committee to carry out capital recovery, settlement, and debt handling in accordance with the planned schedule. The Corporation has focused on internal settlements for contract packages that have already been finalized between the employer and contractor (A–B settlement). However, due to various reasons, internal settlements have been delayed,



resulting in the handling of accumulated work-in-progress costs not meeting the planned targets.

- As at the date of preparing the financial statements, several subsidiaries and associated companies are experiencing significant financial difficulties. The Board of Management of the Corporation is continuing to cautiously assess the level of financial risk related to investments in subsidiaries and associates. Accordingly, the balance of the provision for investments in subsidiaries and associates as at December 31, 2025 amounts to VND 47.162 billion.

The above presents explanations for several matters relating to the 2025 consolidated financial statements of Vietnam Water, Sanitation and Environment Investment Corporation – JSC (VIWASEEN).

Sincerely!

Recipients:

- As addressed;
- Hanoi Stock Exchange
- Filled at: Archives&Record, Fin.-Acco. Dept.,
Secretary to GD.

GENERAL DIRECTOR

(signed and sealed)

Nguyen Thi Quynh Trang

