

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

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

Ref.: 264/2026/CV-VIW

Hanoi, April 16, 2026

*Explanation of the Qualified Audit Opinion
in the Audited Financial Statements for 2025*

**To: - The State Securities Commission
- Hanoi Stock Exchange**

- Name of organization: Vietnam Water And Environment Investment Corporation – JSC (Viwaseen)
- Stock code: VIW
- Registered Address: No. 52 Quoc Tu Giam, Van Mieu – Quoc Tu Giam ward, Ha Noi city, Viet Nam.

Vietnam Water and Environment Investment Corporation – JSC would like to extend our respectful greetings and sincere appreciation for your support and assistance over the past time.

In response to Decision No. 325/QĐ-SGDHN dated April 2, 2026 of the Hanoi Stock Exchange regarding the continued trading warning for VIW shares of Vietnam Water and Environment Investment Corporation – JSC, we would like to provide our explanations on certain qualified audit opinions in the Audited Financial Statements and the corresponding remedial measures as follows:

1. Receivables from customers, advances to suppliers, and advances not fully reconciled

- Audit opinion: In the audit report of the 2024 Financial Statements and some previous years, expressed a qualified opinion as the Corporation recognized some receivables from customers, advances to suppliers and advances that were overdue as per signed contract relating to projects that fully completed from many years before (details stated in Note 8) as well as certain balances that have not been fully reconciled.

- Causes and solutions:

+ Receivables reconciliation: As the Corporation operates in the construction sector, with project employers located across diverse and geographically dispersed areas. In addition, frequent changes in personnel have posed challenges in obtaining confirmations and performing reconciliation procedures for audit and receivables management purposes. Consequently, despite efforts undertaken, the reconciliation rate remains limited. For receivables related to projects finalized in prior years, the Corporation continues to carry out reconciliation procedures,



review supporting documentation, perform aging analysis, and assess debtor status as a basis for receivables management, recovery, and provisioning for doubtful debts in accordance with applicable regulations. The Corporation has established dedicated teams for debt recovery and resolution to review, verify, and complete supporting documentation, and to implement appropriate measures to progressively address outstanding receivable balances.

2. Prolonged finalization of completed projects recorded under construction in progress

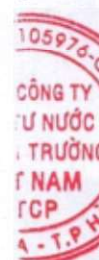
- Audit opinion: The Corporation is in the process of performing internal reconciliation and finalization for certain completed construction projects, including long-outstanding items currently recorded under construction in progress (as detailed in Note 10). These matters continue to have an impact on the 2025 Financial Statements. Although alternative audit procedures were performed, sufficient appropriate audit evidence could not be obtained to assess the impact of these matters on receivable balances, provisions for doubtful debts, and slow-moving or obsolete inventories as at December 31, 2025.

- Causes and remedial actions: For construction in progress balances relating to completed projects, the Corporation has established a capital recovery and project finalization task force to implement capital recovery, settlement, and debt resolution in accordance with the approved plan. The Corporation has prioritized internal finalization for contract packages that have undergone external acceptance and settlement (A-B finalization). However, due to various factors, internal finalization has been delayed, resulting in the resolution of outstanding construction in progress balances not meeting planned targets.

3. Insufficient basis for financial investment provisioning:

- Audit opinion: Certain subsidiaries and affiliates are experiencing financial difficulties and have not provided audited financial statements or internally 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 disclosed in Notes 15 and 16) and a provision for long-term financial investments amounting to VND 47,162 billion has been recognized. However, sufficient appropriate audit evidence could not be obtained to assess the adequacy of the provision for long-term financial investments as at December 31, 2025.

- Causes and remedial actions: As at the reporting date, certain subsidiaries and affiliates continue to face significant financial constraints. The Board of Management is continuing to prudently assess financial risks associated with investments in these entities. Accordingly, a provision for investments in



subsidiaries and affiliates has been recognized with a total amount of VND 47,162 billion as at December 31, 2025.

4. Financial statements of certain subsidiaries and affiliates not audited

- Audit opinion: The Corporation's Financial Statements as at December 31, 2025 have been prepared on a consolidated basis, based on the financial statements of the parent company, subsidiaries and affiliates. However, the financial statements of certain subsidiaries and affiliates have not been audited or only prior-year financial statements are available. Although necessary audit procedures were performed, sufficient appropriate audit evidence could not be obtained to assess the impact of this matter on the consolidated financial statements.

- Causes and remedial actions: The consolidated Financial Statements as at December 31, 2025 are prepared based on the financial statements of the parent company, subsidiaries and affiliates. These include internally prepared financial statements of certain entities, namely Water Supply, Sewerage and Mechanical Construction JSC - Viwaseen.2 and VIWASEEN Manpower Supply, Commercial and Tourism JSC and prior-year financial statements for certain subsidiaries such as Water Supply and Sewerage Construction JSC No.12, Viwaseen Phuong Huong Environment Investment and Development JSC, and Water Electrical, Mechanical Installation and Construction JSC - Viwaseen.4. As at the reporting date, a number of subsidiaries continue to experience financial difficulties, operate at minimal capacity, incur losses, and have limited financial resources, resulting in their inability to engage independent auditors for the 2025 Financial Statements for consolidation purposes. The Corporation has strengthened oversight of the operations of these entities through its appointed capital representatives, thereby enhancing participation in governance and management, assessing actual operating conditions, and implementing appropriate measures to address difficulties and constraints.

The above represents the explanations regarding certain matters presented in the 2025 Financial Statements of Vietnam Water And Environment Investment Corporation – JSC.

Your sincerely!

Recipients:

- As addressed;
- Filled: Records and Archives, Fin.&Acco.
Dept., Secretary to General Director.

GENERAL DIRECTOR

(signed and sealed)

Nguyen Hai Dang

