

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

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness**

Ref.: 624/2026/CV-VIW

Hanoi, August 27, 2026

Subj: *"Explanation of the differences and fluctuations in
profit after tax (PAT) presented in the reviewed semi-
annual consolidated financial statements for 2026,
which received a qualified audit opinion*

To: State Securities Commission

our respectful greetings and express our gratitude for the your assistance during the recent times

Based on the Consolidated Financial Statements for the Quarter II of 2026 of VIWASEEN Corporation and the reviewed semi-annual consolidated financial statements 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, the Corporation would like to explain the differences and fluctuations in profit after tax (PAT) presented in the reviewed semi-annual consolidated financial statements for 2026 compared with the financial statements for the second quarter of 2026 and the reviewed semi-annual financial statements for 2025, as follows:

1. Changes in the Profit After Tax for the period from the beginning of the year to the end of the second quarter of 2026 presented in the second-quarter consolidated financial statements compared with the Profit After Tax presented in the reviewed semi-annual consolidated financial statements for 2026:

- Gross profit from sales and provision of services in the Consolidated Financial Statements was VND 62,886 million, while that in the reviewed Interim Consolidated Financial Statements was VND 62,334 million, representing a decrease of VND 552 million, mainly due to an increase of VND 552 million in cost of goods sold of a subsidiary (reviewed Financial Statements of Water Supply and Sewerage Investment and Construction JSC).

- Revenue from financial activities in the Consolidated Financial Statements was VND 1,639 million, while that in the reviewed Interim Consolidated Financial Statements was VND 1,578 million, representing a decrease of VND 61 million, mainly due to a decrease in gains from foreign exchange differences in the Parent Company's Financial Statements.

- Financial expenses in the Consolidated Financial Statements were VND 7,581 million, while those in the reviewed Interim Consolidated Financial Statements were VND 7,520 million, representing a decrease of VND 61 million, mainly due to a decrease in losses from foreign exchange differences in the Parent Company's Financial Statements.

- General and administrative expenses in the Consolidated Financial Statements were VND 34,725 million, while those in the reviewed Interim Consolidated Financial Statements were VND 35,070 million, representing an increase of VND 345 million, mainly due to an increase in other general and administrative expenses in the Parent Company's Financial Statements.

- Share of profit or loss in associates and joint ventures in the Consolidated Financial Statements was VND 4,378 million, while that in the reviewed Interim Consolidated



Financial Statements was VND 4,766 million, representing an increase of VND 388 million, as the Suoi Dau Water Supply and Drainage Investment Construction JSC and Phu Tho Petroleum and Oil JSC had their 2026 interim financial statements reviewed.

- Other income in the Consolidated Financial Statements was VND 8,970 million, while that in the reviewed Interim Consolidated Financial Statements was VND 21,552 million, representing an increase of VND 12,582 million due to an upward adjustment to other income in the Parent Company's Financial Statements.

- Other expenses in the Consolidated Financial Statements were VND 3,737 million, while those in the reviewed Interim Consolidated Financial Statements were VND 16,319 million, representing an increase of VND 12,582 million due to an upward adjustment to other expenses in the Parent Company's Financial Statements.

- Current corporate income tax expense in the Consolidated Financial Statements was VND 5,415 million, while that in the audited Interim Consolidated Financial Statements was VND 5,350 million, due to a decrease in current corporate income tax expense in the Financial Statements of a subsidiary (Water Supply and Sewerage Investment and Construction JSC).

- Deferred corporate income tax expense in the Consolidated Financial Statements was negative VND 517 million, while that in the reviewed Interim Consolidated Financial Statements was VND 571 million, representing an increase of VND 1,088 million.

- Profit after tax for the period from the beginning of the year to the end of the second quarter of 2026 presented in the second-quarter consolidated financial statements was VND 26,699 million, while profit after tax presented in the reviewed semi-annual consolidated financial statements for 2026 was VND 25,169 million, representing a decrease of VND 1,530 million, mainly due to a decrease in gross profit from sales of goods and rendering of services and an increase in administrative expenses.

2. Changes in Profit After Tax presented in the reviewed semi-annual consolidated financial statements for 2026 compared with Profit After Tax presented in the reviewed semi-annual consolidated financial statements for 2025:

Profit after tax in the reviewed semi-annual consolidated financial statements for 2026 was VND 25,169 million, compared with VND 5,405 million in the reviewed semi-annual consolidated financial statements for 2025, representing an increase of VND 19,764 million, due to:

- + Gross profit from sales and provision of services increased by VND 5,605 million. Although revenue in the 2026 interim Consolidated Financial Statements was VND 352,589 million, compared to VND 431,274 million in the 2025 interim Consolidated Financial Statements, representing a decrease of VND 78,685 million, the cost of goods sold/revenue ratio decreased from 86.8% in the 2025 interim period to 82.3% in the first half of 2026. Therefore, the gross profit from sales and provision of services increased.

- + Finance costs decreased by VND 3,285 million due to a decrease in interest expenses.

- + Share of profit in joint ventures and associates increased by VND 2,494 million due to improved business and production performance of the joint ventures and associates compared with the same period of the previous year.

- + Selling expenses decreased by VND 207 million.

108
CÔNG
TY Đ
À MÔI
T N
CTCF
PHỐ

+ Administrative expenses decreased by VND 4,558 million due to a decrease in the provision for doubtful receivables.

+ Other income increased by VND 21,439 million, mainly due to compensation received for the relocation of the water treatment plant.

+ Other expenses increased by VND 15,535 million, mainly due to expenses incurred for the relocation of the water treatment plant.

3. Qualified Audit Opinion:

According to Independent Auditor's Report No. 754/BCSX-TC/2026/AASCS dated 27 August 2026 issued by Southern Auditing and Accounting Financial Consulting Services Co. Ltd. (AASCS), the audit qualified opinion presented in the semi-annual financial statements for 2026 relates to the following matters:

3.1 Reconciliation and confirmation of receivables and payables

- **Auditor's opinion:** As at the date of issuance of this report, certain receivable and payable balances relating to certain projects from prior years had not been fully reconciled and confirmed, as disclosed in the accompanying notes to the financial statements. The Company was still in the process of reconciling and finalizing the accounts of certain completed construction projects, including certain outstanding and long-delayed projects that remained recorded as construction work in progress, as disclosed in Note V.7 to the accompanying financial statements. The matters described above continued to affect the interim consolidated financial statements for the accounting period from 1 January 2026 to 30 June 2026. Although we performed alternative procedures, we were unable to obtain sufficient appropriate evidence to assess the adequacy of the allowance for doubtful debts and the provision for decline in value of inventories as at 30 June 2026. The Corporation and certain subsidiaries had not fully reconciled their balances with customers, suppliers and in respect of certain other liabilities and receivables. In addition, the Corporation had not fully offset intercompany receivable and payable balances when preparing the consolidated financial statements.

- **Causes and solutions:** The Corporation conducted a review, inventory-taking, classification and reconciliation of receivables. However, certain projects remain unresolved because the project owners are working with the relevant authorities regarding project funding, and certain project owners have not yet secured funding. Certain receivables arose prior to the establishment of the Corporation and have been carried forward for many years, creating significant difficulties for the Corporation in confirming and reconciling receivables for financial statement audits, as well as for the management and collection of receivables. For certain receivables relating to projects that were finalized in previous years, the Corporation continues to actively reconcile receivable balances, review and verify supporting documents, and classify the aging and status of outstanding balances to facilitate management and collection and to make provisions for doubtful receivables in accordance with regulations.

3.2 Financial statements of joint ventures and associates

- **Auditor's opinion:** Certain associates of the Corporation are experiencing financial difficulties, and the Corporation has a plan to restructure its investment portfolio. Certain associates have not provided financial statements as at 30 June 2026. Therefore, the determination of the investment value under the equity method for the purpose of

consolidation was based on the financial statements of associates that had been reviewed and on financial statements that had not been reviewed as at 30 June 2026. For companies that had not provided financial statements, the balances were based on figures provided by the Corporation; for companies that had not provided financial statements and for which the relevant figures could not be determined, the figures provided by the Corporation were also used.

- **Causes and solutions:** With respect to the financial statements of joint ventures and associates that had not been reviewed (except for Phu Tho Petroleum Gas Joint Stock Company and Suoi Dau Water Supply and Drainage Construction Investment Joint Stock Company), most of the remaining joint ventures and associates are non-public companies with relatively small capital and, under applicable regulations, are not required to have their semi-annual financial statements reviewed.

3.3 Certain branches and subsidiaries have no transactions and are no longer operating but have not yet completed dissolution procedures

- **Auditor's opinion:** In addition to the financial statements of certain subsidiaries that had been reviewed and prepared for the accounting period ended 30 June 2026, certain branches and subsidiaries of the Corporation have had no transactions and are no longer operating but have not yet been able to complete dissolution procedures. We were therefore unable to access the records and data of these entities. Accordingly, the figures of the branches presented in the Corporation's separate financial statements and those of the subsidiaries included in the consolidated financial statements were based on outstanding balances from previous years provided by the Corporation. The impact on the financial statement line items of these branches is presented in Note VIII to the accompanying financial statements.

- **Causes and solutions:** Certain branches and subsidiaries have ceased operations but have not completed dissolution procedures for various reasons, the main reason being that the internal finalization of projects between the Corporation and its subsidiaries and branches has not yet been completed. The Corporation has established a working group to review, collect documents, reconcile and resolve outstanding balances, finalize the internal settlement of projects, and carry out procedures for termination of operations and dissolution of the branches in accordance with applicable laws once all necessary conditions have been satisfied.

The above represents the explanation of certain matters presented in the reviewed consolidated financial statements for 2026 of Vietnam Water and Environment Investment Corporation - JSC (VIWASEEN).

Sincerely!

Recipients:

- As addressed;
- Hanoi Stock Exchange
- Filled at: Archives & Records, Fin.-Acco. Dept.

GENERAL DIRECTOR

(Signed and sealed)

Nguyen Hai Dang

