

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

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ref.: 436 /CTN-TCKT

Hanoi, 29 day of August 2025

Subj: Explanation of differences and
fluctuations in profit after tax (PAT) on the
reviewed semi-annual financial statements for
2025 of the Parent Company, and the qualified
audit opinion.

To: State Securities Commission

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

Based on the Financial Statements of the Parent Company for the second quarter of 2025 of the reviewed semi-annual financial statements for 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, the Corporation would like to explain the variance in net revenue figures and the changes in net profit after tax (NPAT) on the reviewed semi-annual financial statements for 2025 of the Parent Company as follows:

1. Fluctuation in profit after tax (PAT) from the beginning of the year to the end of second quarter of 2025 on the Financial Statements Compared for the second quarter over the PAT on the Reviewed Semi-Annual Financial Statements for 2025 of the Parent Company:

The profit after tax from the beginning of the year to the end of second quarter of 2025, as presented in the financial statements thereof, is VND1,365 million, while the profit after tax in the reviewed semi-annual financial statements for 2025 is VND1,291 million, representing a decrease of VND74 million, mainly due to the following reasons: Increase in interest expenses and Increase in penalties for late payment of social insurance contributions.

2. Fluctuation in profit after tax on the Reviewed Semi-Annual Financial Statements for 2025 compared to the Reviewed Semi-Annual Financial Statements for 2024 of the Parent Company:

The profit after tax on the reviewed semi-annual financial statements for 2025 is VND1,291 million, compared to VND826 million in the reviewed semi-annual financial statements for 2024, an increase of VND 465 million, due to the following factors:

+ Gross profit from sales and services increased by VND 5,005 million as a result of increased construction revenue during the period;



+ Financial income increased by VND 3,443 million due to a higher dividend payout ratio from subsidiaries compared to the same period last year;

+ Financial expenses decreased by VND 2,516 million, of which interest expenses decreased by VND 2,056 million;

+ Administrative expenses increased by VND 10,801 million, mainly due to a provision for doubtful debts of VND 12,263 million;

+ Other expenses decreased by VND 116 million;

+ Current corporate income tax decreased by VND 186 million.

3. Qualified Audit Opinion:

According to the Interim Financial Review Report dated August 28, 2025, by An Viet Auditing Co., Ltd., the qualified audit opinion on the parent company's reviewed semi-annual financial statements for 2025 is stated as follows:

"In the audit report of the financial statements for the year 2024 issued on 31/03/2025 as well as for the previous years, we expressed a qualified opinion since the Corporation recognized some receivables from customers, prepayments to suppliers and advances that were overdue as per signed contract relating to projects that fully completed from many years before and these balances have not fully confirmed by these parties yet (details in Note 8). Moreover, the Corporation have been performing procedures to finalize a number of completed construction projects including several long-standing projects which are reflected in the balance of work in (details in Note 10). The above issues would be continuously affected to the interim financial statements for the period from 01 January 2025 to 30 June 2025. Although we had performed alternative procedures, we were unable to obtain sufficient audit evidence to evaluate the completeness of the balances of the provisions for bad debts and for devaluation of inventories as at 30 June 2025."

Explanation from VIWASEEN regarding the qualified audit opinion:

- Regarding receivables reconciliation: As of June 30, 2025, the Parent Company has conducted a review, inventory, classification, and reconciliation of receivables. However, the reconciliation and debt collection rate remains low due to the specific nature of the construction industry, where the employers are geographically dispersed and diverse. Moreover, frequent personnel changes and the fact that some receivables originated prior to the establishment of the Parent Company—being inherited from earlier periods—have posed significant challenges for debt confirmation and reconciliation for audit and internal management purposes. Despite best efforts, the Company has not achieved 100% reconciliation. For certain receivables related to projects finalized in previous years, the Company continues to reconcile, review documentation, and classify aging and debtor status to facilitate management, collection, and provisioning for doubtful debts in accordance with regulations.

- Regarding construction in progress of completed projects: VIWASEEN continues to coordinate with the employers to complete the final A-B settlement for financial reconciliation and work with subcontractors and branches to finalize internal

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settlements. This will serve as the basis for transferring these costs into the Company's business results for the current period.

Sincerely!

Recipients:

- As addressed;
- Hanoi Stock Exchange
- Filled at: Archive, Fin. - Acc. Dept..



Ngô Văn Dung

