

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

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ref.: 437 /CTN-TCKT

Hanoi, 29 day of August 2025

Subj: Explanation of differences and
fluctuations in profit after tax (PAT) on the
reviewed semi-annual consolidated financial
statements for 2025 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 Consolidated Financial Statements for the second quarter of 2025 of the reviewed semi-annual consolidated 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 consolidated financial statements for 2025 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 Consolidated Financial Statements for 2025:

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 VND14,138 million, while the profit after tax in the reviewed semi-annual consolidated financial statements for 2025 is VND5,405 million, representing a decrease of VND1,267 million, mainly due to the increase in gross profit from sale of goods and provision of services; and the share of profit in associates and joint ventures that was adjusted following the inclusion of the reviewed semi-annual financial statements of Phu Tho Petroleum Joint Stock Company.

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

The profit after tax on the reviewed semi-annual consolidated financial statements for 2025 is VND5,405 million, compared to VND3,765 million in the reviewed semi-annual consolidated financial statements for 2024, an increase of VND1,640 million, due to the following factors:



+ Gross profit from sales and services increased by VND 5,407 million as a result of increased construction revenue during the period;

+ Financial income increased by VND 841 million due to an increase in interest income from bank deposits.

+ Financial expenses decreased by VND 3,687 million as interest expenses declined compared to the same period last year.

+ Share of profit in associates and joint ventures increased by VND 638 million due to improved business performance of associates and joint ventures compared to the same period.

+ Selling expenses decreased by VND 383 million.

+ General and administrative expenses increased by VND 7,184 million due to higher provision for doubtful debts.

+ Current corporate income tax expenses increased by VND 1,006 million.

3. Qualified Audit Opinion:

According to the interim financial review report issued by An Viet Auditing Co., Ltd., the qualified opinion expressed by An Viet Auditing Co., Ltd. in the semi-annual consolidated financial statements for 2025 relates to the following matters:

“In the audit report of the consolidated financial statements for 2024 issued on 31 March 2025 as well as for the previous years, we expressed a qualified opinion because the Corporation and its subsidiaries recognized some receivables from customers, prepayments to suppliers and advances that were overdue relating to projects that completed many years before and these balances have not fully confirmed by these parties yet (details in Note 10). Moreover, the Corporation and its subsidiaries 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 progress (details in Note 11). The above issues would be continuously affecting to the interim consolidated 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 reflected on these interim consolidated financial statements.

In the preparation of interim consolidated financial statements, the intra-group receivables and payables balances have not been fully eliminated. Although we had performed necessary audit procedures, we were unable to obtain sufficient and appropriate audit evidences to give reasonable adjustments and assess the impact of this issue to the interim consolidated financial statements of the Corporation.

The interim consolidated financial statements of the Corporation are prepared on basis of the financial statements of the Parent Company, its subsidiaries and associates in which the interim financial statements of its subsidiaries (excluding Water Supply and Sewerage Construction and Investment JSC) and some associates (details in Note 18) were not reviewed. Although we had performed necessary audit procedures, we



were unable to obtain sufficient audit evidences to assess the impact of this issue on the interim consolidated financial statements of the Corporation.”

Regarding the qualified audit opinion, the Corporation (VIWASEEN) would like to have the following explanation:

- Reconciliation of trade receivables: As of June 30, 2025, the Corporation conducted a review, inventory, classification, and reconciliation of receivables. However, the reconciliation and recovery rate of receivables remained low due to various objective and subjective reasons, resulting in limited effectiveness in the collection of doubtful debts. Some projects faced difficulties because the Employers were working with relevant authorities on funding issues or had not yet arranged sufficient capital sources. Moreover, some receivables originated prior to the establishment of the Corporation and had been carried forward for many years, posing significant challenges in confirming and reconciling balances for audit purposes and for effective management and recovery. For receivables related to completed projects that were finalized in previous years, the Corporation has been actively reconciling balances, reviewing and checking related documents to classify receivables by age and assess the financial status of debtors to support management, recovery efforts, and the provision for doubtful debts in accordance with regulations.

- Regarding the unaudited financial statements of certain subsidiaries (excluding Water Supply and Sewerage Investment and Construction Joint Stock Company and Phu Tho Petroleum Joint Stock Company), the remaining subsidiaries are mostly non-public companies with relatively small capital bases.

Sincerely!

Recipients:

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

**GENERAL DIRECTOR**

Ngo Van Dung

